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Folder Title:

National Service Trust Act [1]

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WHITE HOUSE STAFFING MEMORANDUM

DATE: 12/18/93 ACTION/CONCURRENCE/COMMENT DUE BY: 12/22/93

SUBJECT: PROGRESS ON NATIONAL SERVICE

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	☐	☒	PASTER	☐	☒
McLARTY	☐	☒	QUINN	☐	☒
NEEL	☐	☐	RASCO	☐	☒
PANETTA	☐	☒	RUBIN	☐	☐
BAGGETT	☐	☒	SEGAL	☐	☐
EMANUEL	☐	☐	SEIDMAN	☐	☐
GEARAN	☐	☒	STEPHANOPOULOS	☐	☒
GERGEN	☐	☒	TYSON	☐	☐
GIBBONS	☐	☐	VARNEY	☐	☒
HALE	☐	☒	WATKINS	☐	☐
HERMAN	☐	☒	WILLIAMS	☐	☒
LAKE	☐	☐		☐	☐
LINDSEY	☐	☐		☐	☐
McGINTY	☐	☐		☐	☐
MYERS	☐	☐		☐	☐
NUSSBAUM	☐	☒		☐	☐

REMARKS:

RESPONSE:

JOHN D. PODESTA
 Assistant to the President
 and Staff Secretary
 Ext. 2702

THE WHITE HOUSE
WASHINGTON

93 DEC 16 A10:10

December 14, 1993

INFORMATION
MEMORANDUM FOR THE PRESIDENT

FROM: ELI SEGAL *ES*

SUBJECT: PROGRESS ON NATIONAL SERVICE

This memorandum will review certain of the key activities in which we are currently engaged, as your Corporation for National and Community Service hits the mid point of its third month of operations.

1. Involvement of the States: Consistent with your early instructions and with their critical role within our structure for the selection and monitoring of programs, the states have received our early and methodical attention. I have visited with Governors en masse (at the NGA annual meeting in Tulsa), and since October 1, increasingly in person. Democratic support has been strong (I've recently visited Governors Miller [GA], Lowry [WA], and Roberts, [OR]), so we have placed a particular emphasis on Republican governors to ensure that they will give early and diligent attention to setting up their bi-partisan state commissions. Governors Weld (MA), Merrill (NH), Wilson (CA) and Engler (MI) have all been especially supportive. One helpful by-product has been the uniformly favorable press coverage that we receive in local and regional papers on these stops, illustrative copies of which are attached.

2. Involvement of your Executive Branch: Twice you formally have requested your Cabinet to increase their Departments' involvement in service. As you know, we created an inter-agency task force, chaired by Peter Edelman, aimed at securing three types of participation:

- Application to our Corporation for AmeriCorps programs that the Departments and agencies will run under our direction;
- Incorporation of a service element in the work of the Department or agency (for example, HUD's Hope VI program has an earmark for a certain portion of work to be undertaken by service corps); and
- Elevation of an ethic of service among their employees, so that the agency or Department is a model employer.

Memorandum for the President

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Tomorrow, we will challenge the task force regarding the first of these matters. While some Secretaries (especially Babbitt, Espy, Cisneros and Shalala) have been more active than others, most seem quite interested in setting up new service programs, and we expect as many as 2000 of the anticipated 20,000 1994 AmeriCorps members to come from these federal branch efforts (in addition to approximately 4,000 VISTAs and 1000 members of our new Civilian Community Corps, both of which are directly operated by the Corporation).

3. Involvement of Congress: We have made the decision to continue in an active partnership with that bipartisan group of Congressional supporters which was so critical to the legislative approval of your national service initiative -- rather than re-appear on the Hill only at appropriations time. Our first working breakfast occurred recently, and gave us an opportunity to discuss our conclusions from the 1993 Summer of Service, and our plans for the roll-out of the permanent program. The members' reaction was extremely encouraging, and we intend to continue to meet with not only our friends, but members who have indicated a willingness to be persuaded, even if originally opposed. Sen. Hatfield has offered to be helpful in the Senate in drawing together his moderate colleagues. We also hope that these affiliations may have spin-off benefits for the Administration on other initiatives.

4. Status of the Summer of Safety: Your radio address Saturday was a very helpful boost to our effort to make national service an effective ally in the fight against crime and violence. (Your use of the "AmeriCorps" name was also critical, as we will soon begin our efforts to give your program's name the same pervasiveness as the Peace Corps.) We have been encouraged by the belief of police chiefs (including Los Angeles' Willie Williams) and others in the law enforcement and related fields that creative, committed and trained young people can be a potent public safety force. Those with lower skill levels can board up abandoned buildings, to keep them from being turned into crack houses, or escort seniors in crime-ridden neighborhoods; Summer of Safety participants with higher skills can actually accompany community policing uniformed officers on their beats, and stay in the neighborhoods as liaisons after the cops have moved on. We will continue to work with your crime and violence task force, to ensure that service's role is reflected in your Administration's comprehensive strategy. Copies of representative press clippings on our announcement of the summer program are attached.

Memorandum for the President

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5. Status of the full national service program: As you know, our Summer participants will be joined by the first of the full-year AmeriCorps members, with the bulk of the full programs kicking off in September, 1994. Ensuring programmatic quality while delivering on this ambitious schedule has been our main task, and we are pleased to report that one-half of our regulations are mid-way through the public comment period, while the second half are being reviewed on a fast track basis by OMB and should be published for comment by Christmas. As part of our continuing effort to communicate your vision for service and explain our requirements and opportunities to the broadest audience, we will be conducting four regional conferences (in Kansas City, Los Angeles, Atlanta and here in Washington, D.C.) next month -- we expect more than 2,000 non-profits, and a host of other interested parties, to attend.

NATIONAL SERVICE TRUST ACT OF 1993

SUMMARY

The National Service Trust Act of 1993 has five titles.

Title I contains programs: the new national service program offering educational awards in return for service; amendments to service programs for school-age youth and students in institutions of higher education; and an investment fund to promote quality and innovation in programming. Title I amends the National and Community Service Act of 1990 ("NCSA").

Title II establishes the organizational framework for these programs: State Commissions on National Service and a federal Corporation for National Service. Title II also amends the NCSA.

Title III replaces the guaranteed student loan program with a federal direct student loan program, makes available flexible repayment of loans to all borrowers, and simplifies the student loan system while expanding access. Title III contains amendments to the Higher Education Act of 1965.

Title IV reauthorizes the NCSA and the Domestic Volunteer Service Act of 1973 ("DVSA"), amends DVSA and authorizes appropriations for titles I and II of the Act.

Title V contains the technical and conforming amendments.

SECTION-BY-SECTION SUMMARY

Section 1. Short title and table of contents.

The short title of the bill is the National Service Trust Act of 1993.

TITLE I -- PROGRAMS

Subtitle C -- National Service Program

Section 101. Federal investment in support of national service.

Section 101 replaces Subtitle C of the NCSA with a new National Service Program.

PART I -- INVESTMENT IN NATIONAL SERVICE

Section 121. Authority to provide assistance to national service programs.

The Corporation for National Service ("Corporation") is authorized to provide assistance to national service programs and to provide educational awards to participants in approved programs. Organizations eligible to apply for such assistance include nonprofit organizations, institutions of higher education, school districts, local governments, states and federal agencies.

Programs may not use more than 5 percent of their program assistance for administrative costs.

Section 122. Types of national service programs eligible for program assistance.

A variety of national service programs will be eligible to receive funding. All programs must provide opportunities to perform full- or part-time service that meets unmet human, educational, environmental or public safety needs. Section 122 lists a number of examples of qualified programs, to which the Corporation may add others: (1) diverse community corps; (2) youth corps; (3) service-learning programs; (4) specialized services programs; (5) individualized placement programs with regular group activities; (6) campus-based programs; (7) preprofessional programs with summer training while in college; (8) professional corps; (9) youthbuild programs; (10) national service entrepreneurship programs; (11) intergenerational programs.

In consultation with experts in the fields, the Corporation will establish different quality criteria for different types of programs. The Corporation's criteria will apply to all grants made under the Act, including grants by states and other programs operating subgranting programs.

The Corporation will also establish priorities to focus national service programs on meeting particular unmet human, educational, environmental or public safety needs. The Corporation will provide notice of these priorities and changes as they are made. These priorities will be applied in funding decisions made by the Corporation, states, or other subgranting programs.

Section 123. Types of national service positions eligible for approval for national service educational awards.

All participants in programs that receive operating assistance will be eligible to receive educational awards. In addition, participants in certain other service programs will be eligible for educational awards. The following categories, to which the Corporation add others, will be eligible to receive educational awards: (1) positions as participants in programs receiving assistance under Section 121; (2) positions in approved

national service programs not receiving federal operating assistance; (3) positions as VISTA volunteers; (4) positions as service-learning coordinators in programs receiving assistance under the Serve-America program; (5) positions in the Civilian Conservation Corps; (6) positions on the staff of approved national service programs; (7) certain positions as employees in jobs meeting unmet needs, that are unlikely to be filled in the next 6 months, and are located in economically disadvantaged areas.

Section 124. Types of program assistance.

The Corporation is authorized to make several kinds of grants: planning grants for up to one year; operational assistance and replication assistance. Operation and replication assistance may be for three years and is renewable. States and other organizations operating grant programs may provide the same types of assistance through sub-grants.

Section 125. Training and technical assistance

The Corporation is authorized to provide training and technical assistance, either directly, or by grant or contract. Training programs will help national service programs meet unmet needs, develop leaders, instill an ethic of civic responsibility in participants, improve management and budgetary skills, and enhance the training of participants. Technical assistance will help applicants develop programs and apply for assistance.

Section 126. Other special assistance.

The Corporation may also provide assistance to states in order to establish State commissions, to corps and other national service programs in order to provide disaster relief, and to high-quality model programs as challenge grants, which would offer \$1 of assistance for every \$1 raised from private sources. Funding for these purposes would be subject to a limited authorization of appropriations.

PART II -- APPLICATION AND APPROVAL PROCESS

Section 129. Provision of Assistance and Approved National Service Positions by Competitive and Other Means.

National service programs must apply to the Corporation through State Commissions on National Service ("State Commissions") or directly. The Corporation may only distribute such funds as are available in each fiscal year. Funds allocated for educational awards will be maintained in a separate National Service Trust and will not be available for program expenses.

Program funds, and a proportional allocation of educational awards, will be made available in three ways: (a) by formula to states; (b) competitively to States; and (c) competitively to entities (including states) applying directly to the Corporation.

(a) Thirty percent of program funds, and a corresponding proportion of educational awards, will be allocated to states based on population (one percent of all program assistance will be reserved for Indian tribes and territories).

(b) No less than 20 percent of program assistance and approved positions will be available to states on a competitive basis. State applications for formula funding may include an application for additional competitive funding.

(c) Remaining funds will be allocated competitively by the Corporation. These funds may be allocated to federal agency programs; additional state proposals; programs seeking to expand to multiple states; innovative programs; programs aimed at Corporation designated priorities; and such other types of programs which the Corporation may designate.

Direct federal programs operated by the Corporation -- VISTA and the Civilian Community Corps -- will automatically receive educational awards in any year when the total number of educational awards is at least two hundred percent of the total number of such participants.

Individuals, corporations, or foundations may agree with the Corporation to sponsor approved positions in designated areas. Such sponsored positions will not be taken into account when the Corporation allocates federally-funded positions.

If a state does not apply to the Corporation for its formula allocation, the Corporation may use its formula portion to make grants directly to national service programs.

Section 130. Application for assistance and approved national service positions.

In order to be eligible for program assistance and approved positions, entities must submit applications either to State Commissions or directly to the Corporation. The Corporation may set reasonable deadlines and require reasonable information to be provided in such applications, including descriptions of: (1) programs to be carried out directly by the applicant; (2) the process by which programs were selected to receive grants; (3) other funding sources that the program sought or managed to find, particularly in the case of an application for renewed funding; (4) the extent to which the program will meet particular unmet needs and benefit the community in which projects are performed; (5) the manner in which the program will build an ethic of civic

responsibility in participants; improve the lives of participants through training, meaningful service experiences, and opportunities to reflect on those experiences; and offer participants opportunities to design and lead programs; (6) measurable goals for meeting unmet needs and providing a meaningful service experience, and a strategy to meet those goals; (7) the extent to which the program meets the national service priorities; (8) the past experience of the applicant; and (9) the type and number of national service positions that the participant requests.

In the case of applications for educational awards that do not request program assistance, the Corporation may require special application requirements.

In submitting state plans for Corporation approval, State Commissions may provide no more than 50 percent of assistance to programs that are run by the State. In the event that insufficient qualified applications are submitted by such other applicants, additional funds may be requested for programs administered directly by the State.

Section 131. National service program assistance requirements.

In order to be eligible for assistance, programs must provide several assurances or guarantees regarding: (a) expected impact of service on participants; (b) compliance with the nonduplication and nondisplacement provisions of section 177; (c) broad consultation in the community served, with community-based organizations and with labor organizations representing employees engaged in similar work, to ensure compliance with nondisplacement provisions; (d) performance goals and independent evaluation; (e) the nature of the living allowance provided; (f) willingness to select some participants from among prospective participants recruited centrally, including the national leadership pool recruited and trained by the Corporation.

Section 132. Ineligible Service Categories.

National service programs may not provide direct benefits to businesses organized for profit, labor unions, or partisan political organization. Benefits may be provided to religious organizations only if programs do not provide religious instruction, conduct worship services, or proselytize.

Section 133. Consideration of applications.

The Corporation, states, and other applicants operating grant programs will use the following criteria in determining whether to provide assistance or approved slots to programs: (1) program quality; (2) innovation; (3) replicability; (4) sustainability, based on broad community support and multiple or

private funding sources; (5) leadership quality; (6) past performance; (7) building on existing programs; (8) involvement of participants and community residents in program design, leadership and operations; (9) the extent to which programs are in areas that most need them, such as enterprise zones, environmentally distressed areas, or areas affected by reductions in defense spending; (10) other criteria established by the Corporation.

In providing assistance and approved positions on a competitive basis -- both to states and to programs directly -- the Corporation will ensure that programs receiving assistance are geographically diverse and in both urban and rural areas. In addition, among programs applying directly to the Corporation, the Corporation may designate certain programs for priority consideration, such as: (1) programs operated by other federal agencies; (2) programs addressing Corporation designated priorities; (3) innovative programs; (4) private non-profit programs which would replicate in several states a model already operating in at least one state; (5) national grant programs operated by nonprofit organizations with established expertise in national service or in providing particular services.

If the Corporation rejects the application of a State Commission, the Corporation will promptly notify the Commission of the reasons for the rejection. The Corporation must then provide the Commission with reasonable opportunity to revise and resubmit the application, and with technical assistance if the Commission requests. If the request of a State Commission is finally rejected, the Corporation may reallocate the funds and directly review applications which otherwise would be submitted to that State Commission.

Section 134. Matching funds requirements by recipients.

All programs that use funds provided under section 121 will satisfy matching requirements with respect to the grant funds. A waiver will be available.

PART III -- NATIONAL SERVICE PARTICIPANTS

Section 137. Description of Participants.

In order to participate in a national service program, an individual must in general be 17 years of age or older, a citizen or permanent resident, have a high school diploma or agree to obtain one while serving, meet eligibility requirements for the particular program, and be selected by that program.

Out-of-school youths under age 17 are eligible to participate in youth corps or youthbuild programs.

Section 138. Selection of national service participants.

In general, a program that receives assistance or approved positions will be responsible for selecting participants. In addition to ensuring that participants satisfy eligibility requirements under section 137, programs must select participants without regard to race, color, national origin, sex, age, disability or political affiliation.

While individual programs will be responsible for most recruiting, the Corporation and State Commissions may establish a recruiting and placement system from which programs may be required to recruit a portion of their participants. In addition, the Corporation is authorized to establish a national leadership pool and a leadership training program. The Corporation will assign these leaders to national service programs that request them.

Section 139. Required terms of service of national service participants.

In general, in order to receive an educational award, an individual must serve either full-time (not less than 1,500 hours over 9 months to 1 year) or part-time (not less than 1,500 hours over 1 to 2 years). The Corporation is authorized to develop guidelines for part-time participants to complete fewer hours and receive a correspondingly smaller educational award.

Participants released by recipients of assistance from service for compelling personal reasons may be eligible for partial educational awards.

Section 140. Living allowances for national service participants.

All programs must provide living allowances within specified guidelines. The provisions are designed to permit a great deal of flexibility in designing programs which are attractive and accessible to a wide range of potential participants in widely differing economic circumstances, including college graduates, high school graduates, and high school drop-outs who enroll in high school equivalency programs.

The Corporation will support 85 percent of the living allowances up to the total amount of the VISTA average annual subsistence allowance and stipend, which is comparable to a minimum age stipend.

Programs may offer stipends up to twice this target stipend level, but the Corporation will not match any amount in excess of the total of the VISTA subsistence and allowance.

To permit educational awards to be available to recruit participants for professional corps in underserved communities, programs may provide living allowances above 200 percent of the VISTA living allowance and stipend. In such instances, however, the Corporation will provide no contributions toward such stipends, and applications for this assistance will be approved by the Corporation on a case-by-case, competitive basis.

The Corporation will also provide assistance to pay 85 percent of the cost of a basic health care policy for each full-time participant who does not otherwise have access to health care. The Corporation will establish the contents of the basic health care policy.

The Corporation will also make child care or a child care allowance available for full-time participants who require such services.

Section 141. National Service Educational Awards.

A participant in a national service program will be eligible for an educational award if he or she serves in an approved position and satisfies eligibility requirements under section 146.

Section 102. Replaces Subtitle D of the NCSA with the National Service Trust.

Subtitle D -- National Service Trust and
Provision of National Service Educational Awards

Section 145. Establishment of the National Service Trust.

The National Service Trust is established as an account in the United States Treasury. Funds in the Trust are available for educational awards. The Trust consists of: (1) amounts designated by the Corporation for educational awards from amounts appropriated to the Corporation and made available for this subtitle; (2) amounts received by the Corporation as gifts, bequests, or in other such ways; and [(3) interest on, and proceeds from sale or redemption of, any obligations held by the Trust.

[The Secretary of the Treasury will invest amounts appropriated to the Trust in interest-bearing obligations.]

The Corporation will report to Congress every year on the financial status of the Trust.

Section 146. Individuals eligible to receive a national service educational award from the trust.

Individuals who complete a term of service in approved national service positions will be eligible for educational awards of \$6,500 for each of up to two terms of service. \$6,500 is roughly the average indebtedness of a graduate of a four-year public college. Individuals may participate in programs for longer periods of time, but will not be eligible for educational awards after the second term of service.

Awards will be non-taxable and will not count as income in determining eligibility for means-tested Federal programs.

Section 148. Disbursement of National Service Educational Awards.

Individuals may use educational awards to repay student loans, to pay for attendance at an institution of higher education, or to pay for expenses in an apprenticeship program.

An individual who wants to use his or her educational award to repay loans will submit an application, on forms prescribed by the Corporation, that identifies or enables the Corporation easily to identify the holder of the loan, the outstanding principal and interest, and other basic information. The Corporation will then disburse to the holder the amount to which the individual is entitled. The Corporation may require verification by the lender, and may aggregate payments to holders.

Loans made, insured, or guaranteed under title IV of the Higher Education Act ("HEA") or title VII of the Public Health Service Act will be eligible for repayment.

An individual who intends to use an education awards to pay current educational expenses must verify eligibility through an eligible institution of higher education. Institutions designated by these individuals will notify the Corporation of the names of those students and the amounts of educational awards that will be claimed. These institutions must also verify participation in programs under section 487 of the HEA.

The Corporation will disburse the amount for which eligible individuals have qualified, which may be no greater than the cost of attendance less the sum of financial assistance and veterans' education benefits. Disbursements will be made in at least two installments, with the interval between first and second to be not less than half of the enrollment period. Institutions will be required to refund amounts disbursed for individuals who do not complete their periods of enrollment at those institutions.

The Corporation will establish regulations for the payment of national service awards to individuals to participate in recognized and approved apprenticeship programs.

Section 103. Amendments to Programs for Students and Out-of-School Youth.

This section lists purposes of the subsection, including amendments to improve the Serve-America program.

The section strikes Subtitle B, Part I of the National and Community Service Act and replaces it with a similar program that differs from existing law in the following ways: by authorizing planning grants to local educational agencies to recruit and train, or support, service-learning coordinators; eliminating authority in existing law for grants for community service programs for school dropouts and out-of-school youth; authorizing the Corporation to make grants to existing public or private non-profit organizations that will make subgrants to eligible organizations for service-learning programs; authorizing the Corporation to reserve up to 25 percent of appropriated funds to make competitive grants to states or existing public or private non-profit organizations that will make subgrants; modifying allocation of funds requirements; and making other improvements.

The section further authorizes new authority for the Corporation to provide assistance for programs involving school-age youth (including school dropouts and out-of-school youth) in community service.

The section further amends Subtitle B, Part II of the National and Community Service Act by adding priority criteria to be considered by the Corporation in allocating funds under the Higher Education Innovative Projects.

Section 104. Quality and Innovation Activities.

The section repeals subtitle E of Title I of the National and Community Service Act, renumbers the Act, and authorizes an Investment Fund for Quality and Innovation. Activities authorized for funding include: support for innovative and model programs, support for summer programs; provision of training and technical assistance to community-based agencies that are service sponsors; training and technical assistance in applying for assistance; national service fellowships; conferences and materials; Peace Corps and VISTA training; promotion and recruitment; training of participants and supervisors; research; intergenerational support; planning coordination; youth leadership; national program identity; clearinghouses; and Presidential awards. The section also makes a series of technical and conforming amendments.

Section 105. Definitions.

The section provides definitions of terms used in the National and Community Service Act and makes a series of technical and conforming amendments.

TITLE II -- ORGANIZATIONS

Section 201. State Commissions on National Service.

Section 201 replaces section 178 of the NCSA, describing state advisory and requires the establishment of State Commissions.

Section 178. Establishment of State Commissions on National Service.

In order to be eligible for allotments under subtitle B or C, a state must establish a State Commission on National Service. In the limited transitional circumstances, the Corporation may recognize already existing state programs as an alternative to the State Commission.

State Commissions will consist of not less than 7 members and not more than 11 members. The Governor of the State will appoint members from among representatives of national service programs, including participants, such as youth corps programs, service programs for school-age youth, programs in which older Americans are participants; representatives of labor, business, and community-based organizations; and educators and experts regarding the delivery of human, educational, environmental or public safety services. A Corporation representative will serve as a full voting member. Additional State officials may serve only as ex officio non-voting members.

To the maximum extent possible, State Commissions should be balanced according to political affiliation, race, ethnic background, age and gender. Members will serve for 3 year terms, and may only receive reimbursements for travel expenses and per diems as compensation. State Commissions will elect a chairperson from among the members of the Commission.

The responsibilities of the State Commission include: (1) preparation of state applications for program assistance under Subtitles B and C; (2) assisting the State educational agency in the preparation of an application for assistance under section 113; (3) preparation of the application of the state for approved national service positions; (4) assisting in the provision of health care and child care benefits under section 140; (6) developing a state system for disseminating information about national service and recruiting and placing volunteers in the

national service programs; (7) administering grant programs for national service conducted by the states, including oversight and evaluation; (8) developing projects, training methods, curriculum materials, and other materials related to national service.

State commissions may not directly operate a national service program.

In order to make the State Commission eligible to receive grants, the Governor must notify the Corporation of its composition and authority under state law. The Corporation may reject a State Commission if it does not comply with the requirements of this section. The Corporation will notify the State of its reasons, provide technical assistance if requested, and give an opportunity for resubmission.

Section 202. Corporation for National Service

Section 202 establishes a new Corporation for National Service to administer the National Service Program. The Corporation is a government corporation as defined in section 103 of title 5, United States Code.

Section 192. Board of Directors

The Board of the Corporation will consist of eleven members, appointed by the President and confirmed by the Senate. To the maximum extent practicable, Board members will have extensive experience in service, represent a broad range of viewpoints, have expertise in education, environmental, public safety or human services.

Eight initial members of the Board will be appointed from the individuals serving on the Board of Directors of the Commission on National and Community Service.

Terms will generally be three years, except that certain initial appointments will be for one year or two years in order to stagger terms of service.

Section 192A. Authorities and Duties of Board of Directors

The Board will meet at least three times each year. The Board will elect a Vice-Chairperson from among its members, as well as such other officers that the Board determines to be appropriate.

Board members other than the chairperson will be reimbursed only for travel and other business expenses, including a per diem in lieu of subsistence for persons intermittently in the Government service.

Board members who are not otherwise government employees will be considered special Government employees. Board members will be considered federal employees for the purposes of tort claims.

The duties of the Board include the following: (1) preparing an annual strategic plan for the Corporation; (2) reviewing the actions of the Chairperson with regard to personnel, standards, policies, procedures, programs and initiatives; (3) receiving and acting on reports of the Corporation's Inspector General; and (4) arranging for the evaluation of programs.

Section 193. Chairperson and Director

The Chairperson will be appointed by the President and confirmed by the Senate, and compensated at the rate provided for Level III of the Executive Schedule.

The Chairperson will prescribe such rules and regulations as are necessary and appropriate under this Act.

Section 193A. Authorities and Duties of Chairperson

The Chairperson will be responsible for the exercise of the powers of the Corporation that are not reserved to the Board, including authority and control over personnel.

The Chairperson will submit to the Board a proposal regarding standards, policies and procedures necessary to carry out this Act; consult with other Federal agencies; and on the recommendation of the Board, make grants and enter into contracts or suspend payments. The Chairperson will submit reports to the Board regarding major actions with respect to personnel and will notify the Board of any substantial difference between the actions of the Chairperson and the strategic plan recommended by the Board.

The Chairperson will submit to Congress an annual report regarding the manner in which the Corporation used or disposed of services, money and property donated to the Corporation.

The Chairperson is authorized to establish and change the organizational units within the Corporation. With the approval of the President, the Chairperson may arrange with and reimburse other Federal agencies for the performance of duties under this Act or delegate duties to the heads of other Federal agencies. The Chairperson may accept, without reimbursement, services provided by other Federal agencies. The Chairperson may also allocate funds to other federal agencies as may be necessary to carry out this Act.

When programs administered by ACTION are transferred to the Corporation, the Chairperson will assume the duties of the Director of ACTION.

The Chairperson is authorized to rent offices and expend Corporation funds for this purpose. The Chairperson is also authorized to sue and be sued on behalf of the Corporation.

The Chairperson may not delegate a function of the Board without permission of the Board. The Chairperson may delegate other functions to other full time government employees.

Section 194. Officers

There will be two managing directors within the Corporation, one responsible for Federally-operated programs and the other responsible for investment programs. There will also be an Inspector General who will report directly to the Board.

Section 195. Employees

The Corporation will establish a merit-based competitive selection system based on job requirements and applicant qualifications. Except for special circumstances, the personnel of the Corporation may be appointed for terms that do not exceed five years, with renewals for a period not to exceed seven years. Employees will be covered by civil service health and life insurance programs. Employees who transfer or separate after working at the Corporation for three years will be eligible for appointment in the competitive service. Service for one year or more will be treated as a period of service for personnel seeking employment in the competitive service.

After appropriate consultations, the Chairperson will establish the compensation system, which will include pay-for performance compensation and an upper limit on salaries of Executive Level IV.

The Chairperson may also establish advisory committees to assist in developing quality criteria for programs, outreach programs, or other key elements of the initiative. Members of advisory committees may have only their travel expenses reimbursed.

Section 196. Administration

The Corporation may solicit and accept voluntary services and donations, consistent with reasonable conflict of interest rules. The Corporation may also enter into contracts to carry out this Act.

The functions of the Commission on National and Community Service are transferred to the Corporation on October 1, 1993. The Board of the Commission will continue to serve until such time as the Board of the Corporation is formed.

Job search assistance will be provided for any personnel from ACTION or the Commission who do not become employees of the Corporation.

Section 203. Final Authorities of the Corporation

During a transitional period not to exceed 18 months after the date of enactment, the Corporation, together with the Office of Management and Budget, will organize an orderly transfer of certain functions from ACTION to the Corporation. To the extent that ACTION personnel accept employment at the Corporation prior to the transfer of function, such employment will be under the Corporation's personnel system. To the extent that functions are transferred, personnel who are transferred will retain their rights under the competitive civil service system. At the point that such transferred personnel separate from the Corporation, these positions may be filled under the Corporation's personnel system.

Title III -- Higher Education

[Insert Department of Education Section by Section]

Title IV -- Reauthorization

Section 401. Authorization of Appropriations.

Subtitle B -- Domestic Volunteer Service Act of 1973

Section 411. Short Title; References.

Provides that this subtitle may be cited as the "Domestic Volunteer Service Act Amendments of 1993" and provides that amendments, unless otherwise specified, are to the Domestic Volunteer Service Act.

Chapter 1 -- VISTA and other Anti-Poverty Programs.

Section 421. Purpose of the VISTA program.

Provides an addition to the statement of purpose for the VISTA program to include strengthening local agencies and organizations to address the needs of low-income communities and individuals.

Section 422. Selection and Assignment of VISTA volunteers.

Provides for a series of amendments affecting the selection and assignment of VISTA volunteers, including clarifying that volunteers may participate in programs similar to those authorized under the VISTA Literacy Corps and repealing mandated organizational structures, information systems, staffing levels, hiring requirements, and content of an application to become a VISTA volunteer. The section further revises authority for a sponsoring organization to recruit a volunteer to clarify that it is subject to the Director's approval; makes a series of changes to the existing requirements concerning public awareness and recruitment, the composition of the volunteer force, and spending requirements related to promotion and recruitment; and encourages the Director to enter into agreements with other federal agencies to place VISTA volunteers.

Section 423. Terms and Periods of Service.

Clarifies the terms and periods of service for VISTA volunteers and authorizes the creation of a VISTA Summer Associates program.

Section 424. Support for VISTA volunteers.

Provides for several amendments affecting the subsistence allowance and stipend rates for VISTA volunteers.

Section 425. Participation of Younger and Older Persons

Revises the requirement for program participation to have the Director take necessary steps to encourage the fullest participation of younger and older individuals.

Section 426. Literacy Activities.

Repeals the requirement that funds made available under VISTA Literacy Corps will be used to supplement and not supplant the level of services provided under part A in fiscal year 1986 to address the problem of illiteracy.

Section 427. Applications for Assistance.

Restates the requirements related to the consideration of applications under the VISTA program to clarify existing statutory requirements.

Section 428. Repeal of Authority for Student Community Service Programs.

Repeals authority to make grants for student community service programs.

Section 429. University Year for VISTA.

Redesignates the University Year for ACTION program to the University Year for VISTA program. Revises the minimum period of service under the program from an academic year to an academic semester or its equivalent.

Section 430. Authority to Establish and operate special volunteer and demonstration programs.

Authorizes the Director to conduct or make grants or contracts for special volunteer and demonstration programs that will fulfill the purpose of the Agency. Specifies that grants will be made on the basis of merit. Deletes current provisions restricting the flexibility of the Director under part C of title I. Permits supporting both stipended and non-stipended volunteer programs under part C.

Section 431. Technical and Financial Assistance.

Clarifies authority for the Director to provide technical and financial assistance.

Section 432. Elimination of Separate Authority for Drug Abuse Programs.

Deletes separate authority for drug abuse programs under part C of title I.

Chapter II -- National Senior Volunteer Corps

Section 441. National Senior Volunteer Corps.

Revises all references to Older American Volunteer Program to refer to National Senior Volunteer Corps.

Section 442. The Retired and Senior Volunteer Program.

Revises the name of the Retired Senior Volunteer Program to the Retired and Senior Volunteer Program.

Section 443. Operation of the Retired and Senior Volunteer Program.

Revises the minimum age for participation in the program from 60 to 55 and recognizes the participation of older working persons, in addition to retired individuals, in the program. Also deletes an obsolete requirement to give State agencies established under the Older Americans Act of 1965 the opportunity to comment on any award within the state.

Section 444. Services Under the Foster Grandparent Program.

Modifies the statutory description of types of activities of Foster Grandparents to reflect the current scope and breadth of the program. Further, clarifies that Foster Grandparents may provide services to multiple children.

Section 445. Stipends for Low-Income Volunteers.

Requires that the hourly stipend for low-income volunteers under the Foster Grandparent and Senior Companion Programs be adjusted once over the next several years, rounded to the nearest five cents. Further requires that the stipend be a minimum of \$2.45 per hour, the current rate under the programs.

Section 446. Participation of Non-Low-Income Persons under Parts B and C.

Revises the section allowing non-low-income persons to participate under parts B and C of title II. Detailed statutory requirements governing such participation are unnecessary. Local projects retain the flexibility to determine whether volunteers will be used.

Section 447. Conditions of Grants and Contracts.

Repeals a limitation on participation in the Foster Grandparent and Senior Companions to those no longer in the work force, thereby enabling these volunteers to work on a part-time basis. Also repeals a requirement that grants under the Foster Grandparent Program be made to a community action agency, and if not made to that agency, that certain requirements be met. Further, repeals a requirement that provides certain state agencies with the opportunity to review and comment on recommendations for awards within the state.

Section 448. Evaluation of the Senior Companion Program.

Deletes a duplicative provision requirement the evaluation of the impact of projects assisted under the Senior Companion Program.

Section 449. Agreements with Other Federal Agencies.

Inserts a section encouraging the Director to enter into certain arrangements with other Federal agencies that will promote both the mission of ACTION and the mission and programs of those agencies.

Section 450. Programs of National Significance.

Eliminates a requirement that not less than one-third of the new funds made available for Older American Volunteer Programs be earmarked for programs of national significance, provides

discretion for the Director to determine which programs will be supported in a particular year, expands the categories of activities that may be funded, and replaces the limitation on authorization with the authority to award such sums as necessary.

Section 451. Adjustments to Federal Financial Assistance.

Repeals reporting and certain other requirements with respect to inflationary considerations.

Section 452. Arrangements with Private, Profit-making Organizations.

Provides authority, under certain specified conditions, for the Director, and projects funded under title II, to enter into arrangements with private, profit-making organization to offer services of Older American volunteers tho those organizations, their employees, and families.

Section 453. Demonstration Programs.

Provides for a new demonstration authority to fund projects involving Older American volunteers.

Chapter III -- Administration

Section 461. Purpose of Agency.

Clarifies the responsibility of the organization.

Section 462. Authority of the Director.

Provides authority to the Agency to solicit gifts and services. Further, provides authority to enter into agreements with profit-making organizations to help further the purposes of the Act.

Section 463. Compensation for Volunteers.

Clarifies that only contributions from Volunteers and beneficiaries is prohibited under the Act.

Section 464. Repeal of Report on Annual Recruitment Plan.

Repeals a requirement that the Director submit an annual report to Congress on the recruitment plan and activities conducted for the VISTA program.

Section 465. Application of Federal Law.

Revises the basis of computation for disability benefits for volunteers under the VISTA program from the entrance salary of a

grade GS-7 employee to the entrance salary of a grade GS-5 employee.

Section 466. Evaluation of Programs.

Revises requirements for program evaluations.

Section 467. Nondiscrimination Provisions.

Replaces existing nondiscrimination provisions with those currently provided for under the National and Community Service Act.

Section 468. Elimination of Separate Requirements for Setting Regulations.

Eliminates a series of requirements related to prescribing regulations under the Act.

Section 469. Clarification of Role of Inspector General.

Clarifies the Act to indicate that recipients of grants must make records available to the Inspector General of ACTION.

Section 470. Copyright Protection.

Provides copyright protection for the major programs operated by the Agency.

Section 471. Center for Research and Training.

Authorizes a Center for Research and Training on Volunteerism.

Section 472. Deposit Requirement Credit for Service as a Volunteer.

Amends title 5, United States Code, to provide that retirement credit under the Civil Service Retirement System (CSRS) and the Federal Employees Retirement System (FERS) for time served as a VISTA volunteer will be available for all former volunteers who become federal employees subsequent to their volunteer service, upon payment of a deposit based on their post service stipends.

Chapter IV -- Authorization of Appropriations and
other Amendments

Section 481. Authorization of Appropriations for Title I.

Provides separate authorization for various parts and sections under title I of the legislation for fiscal years 1994

through 1998. Also stipulates that the legislatively mandated minimum subsistence allowance for VISTA volunteers may not be reduced in order to increase the number of volunteer service years. Specifies that any VISTA volunteers also working on activities authorized under parts B and/or C of title I must meet the antipoverty criteria specified under part A. Finally, specifies that amounts appropriated for part A must provide for a minimum number of volunteer service years in each fiscal year.

Section 482. Authorization of Appropriations for Title II.

Provides authorizes for programs under Title II for fiscal years 1994 through 1998.

Section 483. Authorization of Appropriations for Title IV.

Provides authorization for program administration under title IV. Provides separate authorization for evaluation and the Center for Research and Training.

Section 484. Conforming Amendments; Compensation for VISTA FECA Claimants.

Provides for Conformation amendments.

Section 485. Repeal of Authority.

Repeals authority for Youthbuild.

Section 486. Effective Date.

Makes October 1, 1993, or date of enactment the effective date.

Title V -- Technical and Conforming Amendments

Sections 501 - 505.

Makes a series of technical and conforming amendments.

Section 506. Effective Date.

Establishes effective dates for the legislation.

TO THE CONGRESS OF THE UNITED STATES

I am pleased to transmit today for your immediate consideration and enactment the National Service Trust Act of 1993. The Act represents innovative public policy founded on traditional American values: offering educational opportunity, demanding personal responsibility, and building the American community. In affirming these values, the Act rejects big bureaucracy -- instead reinventing government to unleash the ideas, the enthusiasm, and the initiative of the American people.

Throughout the presidential election last year, Americans of all backgrounds and political persuasions responded to the National Service Trust like few other ideas. The reasons are clear. Higher education is fundamental to the American Dream, but complex procedures have made it difficult for students to obtain education loans, and inflexible repayment plans have created great hardships in paying loans back. It is a basic American principle that individuals ought to pay back what they borrow, but today too many are unable or unwilling to do so. And finally, Americans today are yearning to reaffirm an American community that transcends race, region or religion -- and to tackle the problems that threaten our shared future.

The National Service Trust Act is designed to meet these basic American needs. It expands educational opportunity by overhauling and simplifying the student loan system, saving taxpayers billions of dollars and lowering interest rates at the same time. It rewards responsibility by changing the way that Americans pay for school, offering new loan repayment choices and the chance to pay through service. And the Act builds community by asking every American to join in lifting up America, through the new national service program and through revitalized and reinvented volunteer programs for Americans of all ages.

The overhaul of the student loan system will dramatically expand educational opportunity for all Americans. By gradually converting the guaranteed student loan program into a direct lending program, the Act will save \$4.2 billion over the next four years. These savings will partly be used to reduce interest rates on student loans by as much as one half a percent -- making student loans easier for more Americans to afford.

The overhaul will streamline the process as well. Most students will be able to obtain all their financial aid services through their financial aid offices -- a "one-stop shop" that reopens the doors to college through simpler procedures.

The program will also build a partnership dedicated to better service between government and institutions of higher education. While providing institutions with a modest fee for added administrative costs, the Act will minimize administrative burdens by allowing schools to use the services of alternative originators instead of originating loans themselves. When students are in school or repayment, postsecondary institutions

will not be responsible for servicing the loans; the Department of Education will contract these responsibilities out.

While direct lending simplifies borrowing, flexible repayment options will offer different repayment plans to suit different students' financial needs. With the availability of fixed, graduated and income-contingent schedules, and with the chance to switch from one plan to another at any time, students will be able to select the option that suits their situation. Long-term repayment plans will enable students to stretch their loans out over time, just as homeowners finance their mortgages over 30 years.

Through these measures, the Act will offer greater opportunity to those who borrow. But it will expect greater responsibility as well. All Americans will be expected to repay their loans in one of two ways. Those who enter the National Service Program will be able to pay off their loans with a year or two of service. Others will be expected to repay their loans through traditional or flexible repayment schedules.

America can not afford the current high default rates. The Act will require borrowers in danger of defaulting to enter a repayment schedule linked to their income. According to a plan it develops jointly with the Treasury Department, the Internal Revenue Service will be involved in collecting such loans. The Act will ensure that Americans repay what they owe.

The Act will build community by asking all Americans to join together and serve our country. By removing the obstacle of fixed high monthly payments, flexible repayment options will enable millions of Americans who borrow for school to take jobs that pay less but do more for the community, without ruining their finances. And through the new national service initiatives, the Act will revitalize the federal commitment to service -- by Americans at all ages. The Act enhances the Serve-America program for school-age youth, extends and improves the VISTA and Older Americans Volunteer Programs authorized under the Domestic Volunteer Service Act, and pulls all federal support for service under an innovative, entrepreneurial new umbrella, the Corporation for National Service. Through these efforts, the Act will help instill an ethic of community service in all elementary and secondary school students, encourage them to serve in their college years, and give them further opportunities later in their careers.

The centerpiece of the initiative to build community is the new national service trust. The Trust will offer hundreds of thousands of Americans the chance to pay for college by serving our country. Offering greater opportunity to those who take responsibility for our community, the Trust embodies the central tenants of this Act.

The Act establishes a definition of national service that is clear but broad. National service is work that addresses unmet educational, environmental, human or public safety needs. It

enhances the experience of those who serve, instilling an ethic of civic responsibility that completes a life and preserves our democracy. And national service does not displace or duplicate the functions of existing workers.

Building on the National and Community Service Act of 1990, and on the flourishing national service programs of nonprofit organizations and states, the initiative rejects a federal bureaucracy in favor of locally driven programs. And in the spirit of reinventing government, the Act is designed to empower those with the greatest expertise, interests and incentives to succeed in their work.

The Act establishes broad categories of eligibility and requirements for the use of educational awards; but it lets citizens of all backgrounds serve and use their awards where they see fit. While many participants will be recent college graduates, Americans will be eligible to enter the program at any time in their adult lives; there is a flexible minimum age of 16 -- dropouts will have to get their GED while in the program -- and no maximum. Both full-time and part-time service will be encouraged, and participants will be able to serve for one or two terms of service. Whatever their education level, those who complete a term of service will receive an award of \$6,500, roughly the average indebtedness of a graduate of four-year public university. The award will be payable toward past or present educational expenses in four- and two-year colleges, training programs, graduate and professional schools.

So that they can determine a limited wage that meets their recruiting needs, programs will be able to set stipends within a range based on the subsistence allowance for the VISTA program--roughly minimum wage. In addition to the award, health and child care will be provided to all participants who need them.

Rather than rely on a national placement system, the initiative will turn to local programs to determine their needs and select their participants accordingly on a nondiscriminatory basis. State and national information and recruitment systems will make programs easily accessible to all.

The Act establishes tough guidelines for excellence in programming -- meeting needs, encouraging citizenship, providing necessary training and support. It requires programs to develop measurable performance goals, and then to allow independent evaluations to test their success. But within these limits, the Act enables the people who will run programs to design them. The smallest community-based organizations and the largest federal agencies will be able to compete for funding. They will be able and encouraged to develop a variety of model programs, ranging from youth corps that enable at-risk youth to meet community needs, to pre-professional programs that give college students ROTC-like training and then placements in specific problem areas, to diverse community corps that involve Americans of all backgrounds in meeting common goals. The Act ensures that as time

passes, the programs that work receive most assistance -- and that there is venture capital for altogether new models as well.

The Act establishes broad guidelines to determine excellence in programming -- among them quality, innovation, replicability, sustainability, past record, and management quality. At the same time, the Act allows the managers who will be responsible for funding decisions to determine the relative weight of different elements, and to add new ones if they see fit.

With the economic market as model, there is competition at every level of the system: programs compete for state approval, states compete for federal approval, and programs at the national level compete against each other and states for federal approval. While 30 percent of program money will be allocated to states for grantmaking by formula, 20 percent will be allocated to states competitively, and the remaining 50 percent on a competitive basis to federal agencies, private non-profit organizations and states. To build public/private partnerships that have support far beyond government, the Act requires programs to make a cash match and to seek support from beyond government as time passes.

In organizational structure, the Act aims to reduce waste and promote an innovative, entrepreneurial government culture. At the federal level, the Act establishes a new government Corporation for National Service that combines two existing independent agencies, the Commission on National and Community Service and ACTION. With a small, bipartisan Board sharing power with a Chairperson, the Corporation will operate as much like a lean nonprofit corporation as a government agency. Flexible personnel policies, including pay-for-performance and a 5-year limit on most tenures, separate investment and operating divisions, and the ability to solicit private contributions will all help build a commitment to quality.

The state level will mirror the federal level and build a strong partnership between the two. State Commissions on National Service, appointed by governors, will be responsible for selecting programs to be funded by states. Like the Corporation Board, the Commissions will be composed of bipartisan, non-government officials. In order to ensure that grant-making decisions are distinct from operating efforts, the Commissions will not operate programs, though they may use a portion of their funds to support state agencies that do. A representative of the Corporation will sit on the State Commission to develop common policies and stop conflicts before they happen.

Opportunity, responsibility and community transcend politics. They are basic American ideals. Enactment of this legislation would express the nation's commitment to them and to our shared future. This legislation truly could be the best money the country ever spends. I urge the Congress to give the legislation a prompt and favorable consideration.

THE WHITE HOUSE

DETERMINED TO BE AN ADMINISTRATIVE

MARKING INITIALS: M DATE: 2/26/23

Confidential Draft -- Do Not Distribute

2013-0664-3

The National Service Trust Act of 1993

National service will be America at its best -- building community, offering opportunity, and rewarding responsibility. National service is a challenge for Americans from every background and every walk of life, and it values something far more than money. National service is nothing less than the American way to change America.

-- President Bill Clinton
Rutgers University
March 1, 1993

President Clinton's national service program will expand educational opportunity, reward individual responsibility, and build the American community by bringing citizens together to tackle our common problems. The President's support for service extends from the youngest elementary students to our oldest citizens, and includes everything from part-time volunteer activities to full-time public service jobs.

The centerpiece of the initiative is a new program to offer educational awards to Americans who make a substantial commitment to service. In addition to this program, which builds on the youth corps and demonstration programs of the National and Community Service Act of 1990, the National Service Trust Act includes:

- An overhaul of the student loan system. A variety of flexible repayment options will be made available to students -- including income-contingent repayment -- making it tougher to default but easier to take service jobs. At the same time, the phase-in of the direct lending program will save taxpayers and students billions of dollars and simplify the complex system to make higher education more accessible.
- Extension and improvement of programs in the National and Community Service Act of 1990 that enhance elementary and secondary education through community service in schools, support after-school and summer programs for school-age youth, and fund service programs on college campuses.
- Extension and improvement of VISTA and the Older American Volunteer Programs authorized by the Domestic Volunteer Service Act.
- Creation of a new Investment Fund for Quality and Innovation to support model service programs and activities designed to ensure the development of high quality national service programs.

The National Service Trust Program

Types of Service

- To qualify, service must directly benefit the community and address unmet educational, environmental, human, or public safety needs.
- National priorities may be established to ensure that pressing needs are addressed.
- Participants may not displace or duplicate the functions of existing workers.

Participants

Eligibility

- Individuals may serve before, during, or after post-secondary education.
- In general, participants may be age 17 or older. Youth corps participants may be ages 16 to 25.
- Participants must be high school graduates or agree to achieve their GED prior to their completion of service.

Selection

- Participants will be recruited and selected on a nondiscriminatory basis and without regard to political affiliation by local programs designated by states or the federal government.
- A national or state recruitment system will help interested individuals locate placements in local programs. Information about available positions will be widely disseminated through high schools, colleges and other placement offices. A special leadership corps may be recruited, trained, and placed to assist in the development of new national service programs.

Term of Service

- To earn an educational award, a participant must complete at least one year of full-time or two years of part-time service in a program designated by a state or the federal government. An individual may serve up to two terms and earn up to two educational awards.

Educational Awards

- Educational awards worth \$6,500 will be provided for each term of service.

- Educational awards will be federally funded and deposited into a national service trust on behalf of all participants accepted into the program. Organizations and individuals may donate funds to support national service participants in the donor's community.

- Payments will be made directly to qualified post-secondary educational institutions, including two- and four-year colleges, training programs, and graduate or professional programs.

- In the case of participants with outstanding loan obligations for qualified educational activities, awards will be paid directly to lenders.

- Awards will not be taxable and must be used within five years of receipt.

Stipends

- Programs will set stipends within program guidelines. However, federal support will be limited to a match of 85 percent of an annual stipend equivalent to benefits received by VISTA volunteers. Programs may provide additional stipends up to twice this amount, with no federal match for the portion of the stipend in excess of the VISTA benefit.

- In the limited case of designated professional corps in areas of great need, such as teaching and public safety in underserved areas, participants may be paid a salary in excess of the guidelines and receive an educational award. However, no federal support will be available for a stipend.

Health and Child Care

- All participants without access to health insurance will receive health coverage. Federal dollars will pay up to 85 percent of the cost of these benefits.
- Participants may receive child care assistance, if needed.

Programs

Goals

- Programs must set measurable goals regarding the impact of the service on the community and on participants.

Eligibility

- Programs eligible for national service designation include diverse community corps, youth corps, specialized programs focusing on a specific community need, individual placement programs, campus-based service programs, programs that train and place service-learning coordinators in schools or team leaders in corps programs, intergenerational programs, national service entrepreneurship programs, and professional corps.
- Programs may be run by non-profit organizations, institutions of higher education, local governments, school districts, states, or federal agencies.
- Programs may not provide direct benefits to for-profit businesses, labor unions, or partisan political organizations, or involve participants in religious activities.

Selection

- Selection criteria include quality (based on criteria developed in consultation with experts in the field), innovation, sustainability, and replicability of programs.
- Past experience and management skills of program leadership, involvement of participants in leadership roles, and the extent to which the program builds on existing programs will also be taken into account.
- Programs serving communities of need, including enterprise zones, community redevelopment areas, environmentally distressed areas, and communities adversely affected by decreased defense spending will also receive special consideration.

Funding

- All participants will receive educational awards.
- To develop programs, one-year planning grants will be available. To support national service participants, three-year renewable grants will be available for program demonstration, expansion, or replication.
- Administrative costs will be limited to five percent of all grants other than planning grants.
- Programs must pay 15 percent of the stipend and health care benefits in cash and 25 percent of other costs. The 25 percent match may be in cash or in kind from any source other than programs funded under the National and Community Service or Domestic Volunteer Service Acts.
- Federal funds must supplement, not supplant, state and local dollars.

Corporation for National Service

Structure

- The national service program will be administered by a new government corporation for national service, created by combining two existing independent federal agencies, the Commission on National and Community Service and ACTION.
- The corporation will achieve streamlined operation through flexible personnel policies.
- The corporation will be responsible for administering all programs authorized under the National and Community Service Act and Domestic Volunteer Service Act, including VISTA and the Older American Volunteer Programs. It will fund training and technical assistance, service clearinghouses and other activities.
- The investment division of the corporation will administer the new trust program and programs currently administered by the Commission on National and Community Service.
- The operating division will administer programs currently run by the ACTION agency, including VISTA and the Older American Volunteer Programs.

Governance

- The corporation will have an eleven-member volunteer Board of Directors appointed by the President and confirmed by the Senate. It will be bipartisan and include persons experienced in national service and experts in providing educational, environmental, human, or public safety service.
- The first Board members will be appointed from the Board of Directors of the Commission on National and Community Service. Seven Cabinet secretaries will serve as non-voting ex-officio members.
- The Board will develop the corporation's strategic plan, make grant decisions, review other policy and personnel decisions, receive and act on reports from the Inspector General, supervise evaluations, and advise the Chair on all issues.
- A Chairperson of the Board and a Managing Director for each division will be full-time employees appointed by the President and confirmed by the Senate.

Oversight

- An Inspector General will oversee programs to guard against fraud and abuse.
- Programs must arrange for independent audits and evaluations, and may also be required to participate in national or state evaluations.

State Commissions

Structure

- In order to receive a grant, each state must establish a commission on national service. The corporation will provide funding for the state commission.
- Commissions will have seven to thirteen members appointed by the governors on a bipartisan basis from among the following: youth, educators, representatives of youth corps, older American volunteer programs, and other nonprofit service providers, labor, business, and experts in meeting particular unmet needs. Commissions will elect their own chair.
- State agency representatives may sit on the commissions as non-voting ex officio members.

- A representative of the corporation will sit on each commission as a voting member and act as liaison between the commission and the corporation.

Duties

- State commissions will be responsible for selecting programs to be funded under the state formula allocation, and in any competitive grant states may request.
- State commissions must also design strategic plans for service in the states, recruit participants, and disseminate information about service opportunities.
- State commissions may also support clearinghouses, training and technical assistance, and other initiatives to support service. They may not operate national service programs, but may use a portion of funds to support programs run by state agencies.

Transition

- For a period of one year, existing state agencies may assume the responsibility of the state commissions.

Allocation of Funds

- States submitting approved plans will receive a minimum of fifty percent of funds available for the national service trust program -- a portion according to a population-based formula and the remainder on a competitive basis.
- Up to fifty percent of funds may be allocated directly by the corporation. Programs eligible for priority consideration include national nonprofit organizations operating multiple programs or competitive grant programs, national service initiatives in more than one state and meeting priority needs, proposals to replicate successful programs in more than one state, and innovative national service programs.

Serve-America

The proposal extends and expands the existing Serve-America program for school-age youth and Higher Education Innovative Projects for Community Service. Modifications to these programs are described below.

Service-Learning Program

Program Goals

- To build a foundation for service among the nation's youth, inspiring them to serve and instilling in them the values and attitude to serve effectively after graduation.
- To create opportunities for all American children to serve our country.

Types of Programs

- Programs may be partnerships of local education agencies and community-based organizations.
- Local educational agencies may receive planning grants to hire service-learning coordinators.

Types of Funding

- School-based programs will be eligible for funding through state educational agencies, partly based on formula and partly through competition.
- State educational agencies must develop state plans that indicate programs to be funded and detail 3-year strategies for service-learning in their states. The Corporation must approve state plans.
- Programs may receive one-year planning grants for school-based programs. Subgranting to experienced institutions for school-based programs will also be allowed.
- All local programs will be required to provide at least 10 percent of total program costs in the first year of funding, increasing to 50 percent in the fourth. Local programs may utilize other federal education funds to meet the match requirement.

Training and Technical Assistance

- Clearinghouses will be expanded to further enable them to disseminate information and curriculum materials; train teachers, service sponsors and participants; and provide needs assessments or technical assistance.
- States will also receive additional resources to train and educate state educational personnel.

Community-based Program for School-Age Youth

- Community-based organizations working with school-age youth may receive grants from the State Commission for programs to involve such youth in community service.
- National non-profit organizations may apply to the Corporation to make subgrants or run multi-state community-service programs for this population.

Higher Education Innovative Projects

- Higher Education institutions, consortia of such institutions, or partnerships of higher education institutions and non-profit institutions may receive grants from the Corporation for student community-service programs or programs to train teachers in service-learning methods.
- Funds may supplement College Work-Study funds being used for community service placements.

103D CONGRESS
1ST SESSION

S. _____

IN THE SENATE OF THE UNITED STATES

_____ introduced the following bill; which was read twice and
referred to the Committee on _____

A BILL

To amend the National and Community Service Act of 1990
to establish a Corporation for National Service, enhance
opportunities for national service, and provide national
service educational awards to persons participating in
such service, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “National Service Trust Act of 1993”.

6 (b) TABLE OF CONTENTS.—The table of contents is
7 as follows:

Sec. 1. Short title; table of contents.

TITLE I—PROGRAMS

2

- Sec. 101. Federal investment in support of national service.
- Sec. 102. National Service Trust and provision of national service educational awards.
- Sec. 103. Amendments to programs for students and out-of-school youth.
- Sec. 104. Quality and innovation activities.
- Sec. 105. Definitions.

TITLE II—ORGANIZATION

- Sec. 201. State Commissions on National Service.

TITLE III—HIGHER EDUCATION

- Sec. 301. Higher education.

TITLE IV—REAUTHORIZATION

Subtitle A—National and Community Service Act of 1990

- Sec. 401. Authorization of appropriations.

Subtitle B—Domestic Volunteer Service Act of 1973

- Sec. 411. Short title; references.

CHAPTER 1—VISTA AND OTHER ANTI-POVERTY PROGRAMS

- Sec. 421. Purpose of the VISTA program.
- Sec. 422. Selection and assignment of VISTA volunteers.
- Sec. 423. Terms and periods of service.
- Sec. 424. Support for VISTA volunteers.
- Sec. 425. Participation of younger and older persons.
- Sec. 426. Literacy activities.
- Sec. 427. Applications for assistance.
- Sec. 428. Repeal of authority for student community service programs.
- Sec. 429. University year for VISTA.
- Sec. 430. Authority to establish and operate special volunteer and demonstration programs.
- Sec. 431. Technical and financial assistance.
- Sec. 432. Elimination of separate authority for drug abuse programs.

CHAPTER 2—NATIONAL SENIOR VOLUNTEER CORPS

- Sec. 441. National Senior Volunteer Corps.
- Sec. 442. The Retired and Senior Volunteer Program.
- Sec. 443. Operation of the Retired and Senior Volunteer Program.
- Sec. 444. Services under the Foster Grandparent Program.
- Sec. 445. Stipends for low-income volunteers.
- Sec. 446. Participation of non-low-income persons under parts B and C.
- Sec. 447. Conditions of grants and contracts.
- Sec. 448. Evaluation of the Senior Companion Program.
- Sec. 449. Agreements with other Federal agencies.
- Sec. 450. Programs of national significance.
- Sec. 451. Adjustments to Federal financial assistance.
- Sec. 452. Arrangements with private, profit-making organizations.
- Sec. 453. Demonstration programs.

CHAPTER 3—ADMINISTRATION

3

- Sec. 461. Purpose of agency.
- Sec. 462. Authority of the Director.
- Sec. 463. Compensation for volunteers.
- Sec. 464. Repeal of report on annual recruitment plan.
- Sec. 465. Application of Federal law.
- Sec. 466. Evaluation of programs.
- Sec. 467. Nondiscrimination provisions.
- Sec. 468. Elimination of separate requirements for setting regulations.
- Sec. 469. Clarification of role of Inspector General.
- Sec. 470. Copyright protection.
- Sec. 471. Center for research and training.
- Sec. 472. Deposit requirement credit for service as a volunteer.

CHAPTER 4—AUTHORIZATION OF APPROPRIATIONS AND OTHER
AMENDMENTS

- Sec. 481. Authorization of appropriations for title I.
- Sec. 482. Authorization of appropriations for title II.
- Sec. 483. Authorization of appropriations for title IV.
- Sec. 484. Conforming amendments; compensation for VISTA FECA claimants.
- Sec. 485. Repeal of authority for Youthbuild Program.
- Sec. 486. Effective date.

TITLE V—TECHNICAL AND CONFORMING AMENDMENTS

- Sec. 501. Definition of Director.
- Sec. 502. References to ACTION and the ACTION Agency in the national service laws.
- Sec. 503. References to ACTION and the ACTION Agency in other laws.
- Sec. 504. Definition of Corporation.
- Sec. 505. References to Commission.
- Sec. 506. Effective date.

- 1 **TITLE I—PROGRAMS**
- 2 **SEC. 101. FEDERAL INVESTMENT IN SUPPORT OF NA-**
- 3 **TIONAL SERVICE.**
- 4 (a) ASSISTANCE PROGRAM AUTHORIZED.—Subtitle C
- 5 of title I of the National and Community Service Act of
- 6 1990 (42 U.S.C. 12541 et seq.) is amended to read as
- 7 follows:

1 **“Subtitle C—National Service**
2 **Program**

3 **“PART I—INVESTMENT IN NATIONAL SERVICE**

4 **“SEC. 121. AUTHORITY TO PROVIDE ASSISTANCE TO NA-**
5 **TIONAL SERVICE PROGRAMS.**

6 “(a) GRANTS.—The Corporation may make grants to
7 States, subdivisions of States, Indian tribes, public and
8 private nonprofit organizations, and institutions of higher
9 education for the purpose of—

10 “(1) assisting the recipients of the grants to
11 carry out full- or part-time national service pro-
12 grams, including summer programs, and make
13 grants in support of national service programs car-
14 ried out by other entities; and

15 “(2) providing national service educational
16 awards described in subtitle D to the participants
17 who serve in such programs.

18 “(b) AGREEMENTS WITH FEDERAL AGENCIES.—The
19 Corporation may enter into a contract or cooperative
20 agreement with another Federal agency to support a na-
21 tional service program carried out by the agency. The sup-
22 port provided by the Corporation pursuant to the contract
23 or cooperative agreement may include—

1 “(1) the transfer to the Federal agency of
2 funds available to the Corporation under this part;
3 and

“(2) the provision of national service edu-
cational awards described in subtitle D to the par-
ticipants who serve in the supported program.

7 “(c) LIMITATION ON ADMINISTRATIVE COSTS.—The
8 recipient of a grant or transfer of assistance under this
9 section may not use more than 5 percent of the amount
10 of the assistance to cover administrative costs incurred by
11 the recipient with respect to the assistance, including costs
12 to administer any grant program using the assistance in
13 support of other national service programs.

14 "SEC. 122. TYPES OF NATIONAL SERVICE PROGRAMS ELIGI-
15 BLE FOR PROGRAM ASSISTANCE.

16 “(a) ELIGIBLE NATIONAL SERVICE PROGRAMS.—
17 The recipient of a grant under section 121(a) and each
18 Federal agency receiving assistance under subsection
19 121(b) shall use the assistance, directly or through
20 subgrants to other entities, to carry out full- or part-time
21 national service programs, including summer programs,
22 that address unmet human, educational, environmental, or
23 public safety needs. Subject to subsection (b)(1), these na-
24 tional service programs may include the following types
25 of national service programs:

1 “(1) A community corps program that meets
2 unmet human, educational, environmental, or public
3 safety needs and promotes greater community unity
4 through the use of organized teams of participants
5 of varied social and economic backgrounds, skill lev-
6 els, physical capabilities, ages, ethnic backgrounds,
7 or genders to .

8 “(2) A youth corps program (such as a con-
9 servation corps, a program that performs service on
10 Federal or other public lands or waters or on Indian
11 lands, or a youth service corps program) that—

12 “(A) meets unmet needs in a natural re-
13 source or human services setting;

14 “(B) gives participants a mix of work ex-
15 perience, basic and life skills, leadership train-
16 ing, education (which may include the use of
17 service-learning methods and shall include edu-
18 cational programs to enable school dropouts to
19 earn a high school diploma or its equivalent),
20 career guidance and counseling, employment
21 training, and support services; and

22 “(C) includes out-of-school youths as par-
23 ticipants.

24 “(3) A program that provides specialized train-
25 ing to individuals in service-learning and places the

1 individuals after such training in positions, including
2 positions as service-learning coordinators, to facili-
3 tate service-learning in programs eligible for funding
4 under subtitle B.

5 “(4) A service program targeted at specific
6 unmet human, educational, environmental, or public
7 safety needs that—

8 “(A) recruits individuals with special skills
9 or provides specialized preservice training to en-
10 able participants to be placed individually or in
11 teams in positions in which the participants can
12 meet such unmet needs;

13 “(B) brings participants together for addi-
14 tional training and other activities designed to
15 foster civic responsibility, increase the skills of
16 participants, and improve the quality of the
17 service provided.

18 “(5) An individualized placement program that
19 includes regular group activities, such as leadership
20 training and special service projects.

21 “(6) A campus-based program that is designed
22 to provide substantial service in a community during
23 the school year and during summer or other vaca-
24 tion periods through the use of—

1 “(A) students who are attending an insti-
2 tution of higher education, including students
3 supported by work-study funds;

4 “(B) teams composed of such students; or

5 “(C) teams composed of a combination of
6 such students and community residents or rep-
7 resentatives of the institution.

8 “(7) A preprofessional training program in
9 which students enrolled in an institution of higher
10 education—

11 “(A) receive training in specified fields,
12 which may include classes containing service-
13 learning;

14 “(B) perform service related to such train-
15 ing outside the classroom during the school
16 year and during summer or other vacation peri-
17 ods; and

18 “(C) agree upon graduation to provide
19 service to meet unmet human, educational, en-
20 vironmental, or public safety needs related to
21 such training.

22 “(8) A professional corps program that recruits
23 and places qualified participants in positions—

24 “(A) as teachers, nurses, police officers,
25 early childhood development staff, or other pro-

1 professionals providing educational, human service,
2 environmental, or public safety service in com-
3 munities with an inadequate number of such
4 professionals;

5 “(B) that may include a salary in excess of
6 the maximum living allowance authorized in
7 subsection (a)(3) of section 140, as provided in
8 subsection (b) of such section; and

9 “(B) that are sponsored by public or pri-
10 vate nonprofit employers who agree to pay 100
11 percent of the salaries and awards (other than
12 any national service educational award under
13 subtitle D) of the participants.

14 “(9) A program in which economically dis-
15 advantaged individuals who are 16 to 24 years of
16 age, inclusive, are provided with opportunities to
17 perform service that, while enabling such individuals
18 to obtain the education and employment skills nec-
19 essary to achieve economic self-sufficiency, will help
20 their communities meet—

21 “(A) the housing needs of low-income fam-
22 ilies and the homeless; and

23 “(B) the need for community facilities in
24 low-income areas.

1 “(10) A national service entrepreneur program
2 that identifies, recruits, and trains gifted young
3 adults of all backgrounds and assists them in de-
4 signing solutions to community problems.

5 “(11) An intergenerational program that com-
6 bines students, out-of-school youths, and older
7 adults as participants to provide needed community
8 services.

9 “(12) Such other national service programs ad-
10 dressing unmet human, educational, environmental,
11 or public safety needs as the Corporation may des-
12 ignate.

13 “(b) QUALIFICATION CRITERIA TO DETERMINE ELI-
14 GIBILITY.—

15 “(1) ESTABLISHMENT BY CORPORATION.—The
16 Corporation shall establish qualification criteria for
17 different types of national service programs for the
18 purpose of determining whether a particular national
19 service program should be considered to be a na-
20 tional service program eligible to receive assistance
21 or national service educational positions under this
22 subtitle. To obtain advice in establishing the quali-
23 fication criteria, the Corporation may convene panels
24 of individuals who are experts regarding national
25 service or regarding the delivery of human, edu-

1 cational, environmental, and public safety services to
2 communities and persons.

3 “(2) APPLICATION TO SUBGRANTS.—The quali-
4 fication criteria established by the Corporation under
5 this subsection shall also be used by each recipient
6 of funds under section 121 that uses any portion of
7 the assistance to conduct a grant program to sup-
8 port other national service programs.

9 “(c) NATIONAL SERVICE PRIORITIES.—

10 “(1) ESTABLISHMENT BY CORPORATION.—In
11 order to concentrate national efforts on resolving
12 certain unmet human, educational, environmental, or
13 public safety needs, the Corporation may establish,
14 and periodically alter, priorities regarding the types
15 of national service programs to be assisted under
16 section 121 and the purposes for which such assist-
17 ance may be used.

18 “(2) NOTICE TO APPLICANTS.—The Corpora-
19 tion shall provide advance notice to potential appli-
20 cants of any national service priorities to be in effect
21 under this subsection for a fiscal year. The notice
22 shall specifically include—

23 “(A) a description of any alteration made
24 in the priorities since the previous notice; and

1 “(B) a description of the national service
2 programs that are designated by the Corpora-
3 tion under section 133(c)(2) as eligible for pri-
4 ority consideration in the next competitive dis-
5 tribution of Corporation funds under section
6 121.

7 “(3) APPLICATION TO SUBGRANTS.—Any na-
8 tional service priorities established by the Corpora-
9 tion under this subsection shall also be used by each
10 recipient of funds under section 121 that uses any
11 portion of the assistance to conduct a grant program
12 to support other national service programs.

13 **“SEC. 123. TYPES OF NATIONAL SERVICE POSITIONS ELIGI-**
14 **BLE FOR APPROVAL FOR NATIONAL SERVICE**
15 **EDUCATIONAL AWARDS.**

16 “The Corporation may approve of any of the follow-
17 ing national service positions as a national service position
18 that includes the national service educational award de-
19 scribed in subtitle D:

20 “(1) A position for a participant in a national
21 service program described in section 122(a) that re-
22 ceives assistance under section 121.

23 “(2) A position for a participant in a program
24 that—

1 “(A) is carried out by a State, a subdivi-
2 sion of a State, an Indian tribe, a public or pri-
3 vate nonprofit organization, an institution of
4 higher education, or a Federal agency; and

5 “(B) would be eligible to receive assistance
6 under section 121 but has not applied for such
7 assistance.

8 “(3) A position involving service as a VISTA
9 volunteer under title I of the Domestic Volunteer
10 Service Act of 1973 (42 U.S.C. 4951 et seq.).

11 “(4) A position involving service as a service-
12 learning coordinator in a program that receives as-
13 sistance under subtitle B.

14 “(5) A position for a participant in the Civilian
15 Community Corps under subtitle E.

16 “(6) A position involving service on the staff of
17 a national service program receiving an approved na-
18 tional service position.

19 “(7) A position involving service as an employee
20 in certain positions that are created by a govern-
21 mental entity or a public or private nonprofit organi-
22 zation and meet human, educational, environmental,
23 or public safety needs if the position—

1 “(A) is unlikely to be filled in the next 6
2 months due to a shortage of qualified appli-
3 cants; and

4 “(B) is located in a community designated
5 as a enterprise zone or redevelopment area or
6 otherwise targeted for special economic incen-
7 tives, an area that is environmentally dis-
8 tressed, or an area adversely affected by reduc-
9 tions in defense spending or the closure or re-
10 alignment of a military installation.

11 “(8) Such other national service positions as
12 the Corporation considers to be appropriate.

13 **“SEC. 124. TYPES OF PROGRAM ASSISTANCE.**

14 “(a) PLANNING ASSISTANCE.—The Corporation may
15 provide assistance under section 121 to a qualified appli-
16 cant that submits an application under section 130 for the
17 planning of a national service program. Assistance pro-
18 vided under this subsection may cover a period of not more
19 than 1 year.

20 “(b) OPERATIONAL ASSISTANCE.—The Corporation
21 may provide assistance under section 121 to a qualified
22 applicant that submits an application under section 130
23 for the establishment, operation, or expansion of a na-
24 tional service program. Assistance provided under this
25 subsection may cover a period of not more than 3 years,

1 but may be renewed by the Corporation upon consider-
2 ation of a new application under section 130.

3 “(c) REPLICATION ASSISTANCE.—The Corporation
4 may provide assistance under section 121 to a qualified
5 applicant that submits an application under section 130
6 for the expansion of a proven national service program to
7 another geographical location. Assistance provided under
8 this subsection may cover a period of not more than 3
9 years, but may be renewed by the Corporation upon con-
10 sideration of a new application under section 130.

11 “(d) LIMITATION ON ADMINISTRATIVE COSTS.—Ex-
12 cept in the case of assistance described in subsection (a),
13 any national service program established, operated, ex-
14 panded, or replicated using assistance provided under sec-
15 tion 121 and any national service program supported by
16 a grant made using such assistance may not use more
17 than 5 percent of the amount of such assistance to cover
18 administrative costs.

19 “(e) APPLICATION TO SUBGRANTS.—The require-
20 ments of this section shall apply to any State or other
21 applicant receiving assistance under section 121 that pro-
22 poses to conduct a grant program using the assistance to
23 support other national service programs.

1 **"SEC. 125. TRAINING AND TECHNICAL ASSISTANCE.**

2 “(a) TRAINING PROGRAMS.—The Corporation may
3 conduct, directly or by grant or contract, appropriate
4 training programs regarding national service in order to—

5 “(1) improve the ability of national service pro-
6 grams assisted under section 121 to meet human,
7 educational, environmental, or public safety needs in
8 communities where services are needed most and
9 where programs do not currently exist or are cur-
10 rently too limited to meet community needs;

11 “(2) promote leadership development in such
12 programs;

13 “(3) improve the instructional and pro-
14 grammatic quality of such programs to build an
15 ethic of successful and lifelong national and commu-
16 nity service;

17 “(4) develop the management and budgetary
18 skills of program operators; and

19 “(5) improve the training provided to the par-
20 ticipants in such programs.

21 “(b) TECHNICAL ASSISTANCE.—The Corporation
22 shall make appropriate technical assistance available to
23 States and other applicants that desire to develop national
24 service programs and to apply for assistance under section
25 121 or under a grant program conducted using assistance
26 provided under such section.

1 **“SEC. 126. OTHER SPECIAL ASSISTANCE.**

2 “(a) SUPPORT FOR STATE COMMISSIONS.—The Cor-
3 poration may make assistance available to assist a State
4 to establish or operate a State Commission on National
5 Service required to be established by the State under sec-
6 tion 178.

7 “(b) DISASTER SERVICE.—The Corporation may un-
8 dertake activities to involve youth corps programs de-
9 scribed in section 122(a)(2) and other programs that re-
10 ceive assistance under a national service law in disaster
11 relief efforts.

12 “(c) CHALLENGE GRANTS FOR NATIONAL SERVICE
13 PROGRAMS.—The Corporation may make challenge grants
14 to a national service program that receives assistance
15 under section 121 and is designated as a high-quality
16 model program by the Corporation. The challenge grant
17 may provide \$1 of assistance under this subsection for
18 each \$1 raised by the national service program from pri-
19 vate sources up to such ceiling as the Corporation may
20 establish.

1 **"PART II—APPLICATION AND APPROVAL**
2 **PROCESS**

3 **"SEC. 129. PROVISION OF ASSISTANCE AND APPROVED NA-**
4 **TIONAL SERVICE POSITIONS BY COMPETI-**
5 **TIVE AND OTHER MEANS.**

6 “(a) ALLOTMENTS OF ASSISTANCE AND APPROVED
7 POSITIONS TO STATES AND INDIAN TRIBES.—

8 “(1) 30 PERCENT ALLOTMENT OF ASSIST-
9 ANCE.—Of the funds appropriated to the Corpora-
10 tion to provide assistance under section 121 for a
11 fiscal year, the Corporation shall make a grant
12 under such section to each of the several States, the
13 District of Columbia, and the Commonwealth of
14 Puerto Rico. The amount allotted as a grant to each
15 such State under this paragraph for a fiscal year
16 shall be equal to the amount that bears the same
17 ratio to 30 percent of the funds appropriated to
18 carry out this part for that fiscal year as the popu-
19 lation of the State bears to the total population of
20 the several States, the District of Columbia, and the
21 Commonwealth of Puerto Rico.

22 “(2) ONE PERCENT ALLOTMENT OF ASSIST-
23 ANCE.—Of the funds appropriated to the Corpora-
24 tion to provide assistance under section 121 for a
25 fiscal year, the Corporation shall reserve 1 percent
26 of such appropriated funds for grants under such

1 section to Indian tribes, the Virgin Islands, Guam,
2 American Samoa, and the Commonwealth of the
3 Northern Mariana Islands, to be allotted in accord-
4 ance with their respective needs, as determined by
5 the Corporation. Palau shall also be eligible for an
6 allotment under this paragraph until such time as
7 the Compact of Free Association with Palau is rati-
8 fied.

9 “(3) CORRESPONDING ALLOTMENT OF AP-
10 PROVED POSITIONS.—A State or Indian Tribe that
11 receives an allotment under paragraph (1) or (2) for
12 a fiscal year shall also receive a number of approved
13 national service positions in an amount that bears
14 the same ratio to the total number of approved na-
15 tional service positions to be available for that fiscal
16 year (excluding positions reserved for Corporation
17 programs under subsection (b)) as the amount of as-
18 sistance provided to the State or Indian Tribe under
19 paragraph (1) or (2) bears to the total of the funds
20 appropriated to the Corporation to provide assist-
21 ance under section 121 for that fiscal year.

22 “(4) EFFECT OF FAILURE TO APPLY.—If a
23 State fails to apply for an allotment under para-
24 graph (1), the Corporation may use the amount that
25 would have been provided under such paragraph,

1 and the approved national service positions cor-
2 responding to the allotment, to make grants to sub-
3 divisions of the State, public and private nonprofit
4 organizations, and institutions of higher education in
5 the State that propose to carry out national service
6 programs in the State.

7 “(b) RESERVATION OF APPROVED POSITIONS FOR
8 CORPORATION POSITIONS.—

9 “(1) NUMBER RESERVED.—Except as provided
10 in paragraph (2), the Corporation shall ensure that
11 each individual selected during a fiscal year for as-
12 signment as a VISTA volunteer under title I of the
13 Domestic Volunteer Service Act of 1973 (42 U.S.C.
14 4951 et seq.) or as a participant in the Civilian
15 Community Corps Demonstration Program under
16 subtitle E shall receive the national service edu-
17 cational award described in subtitle D if the individ-
18 ual satisfies the eligibility requirements for the
19 award. The number of approved national service po-
20 sitions required by this paragraph for a fiscal year
21 shall be deducted from the total number of approved
22 national service positions to be available for distribu-
23 tion under subsection (a) or (c) for that fiscal year.

24 “(2) EXCEPTION.—If the total number of ap-
25 proved national service positions to be available for

1 distribution for a fiscal year does not exceed 200
2 percent of the number of such positions that would
3 be required to satisfy paragraph (1) for that fiscal
4 year, the Corporation shall not reserve the national
5 service educational award for individuals described
6 in such paragraph who are selected during that fis-
7 cal year.

8 “(c) RESERVATION FOR SPECIAL ASSISTANCE.—Of
9 the funds appropriated to the Corporation to provide as-
10 sistance under section 121 for a fiscal year, the Corpora-
11 tion shall use not less than _____percent of such appro-
12 priated funds to make assistance available under section
13 126. **[What about training and technical assist-**
14 **ance under section 125?]**

15 “(d) COMPETITIVE DISTRIBUTION OF REMAINING
16 FUNDS AND APPROVED POSITIONS.—

17 “(1) STATE COMPETITION.—Of the funds ap-
18 propriated to the Corporation to provide assistance
19 under section 121 for a fiscal year, the Corporation
20 shall use not less than 20 percent of such appro-
21 priated funds to make grants to States on a com-
22 petitive basis under section 121. Of the total number
23 of approved national service positions to be available
24 under this section for a fiscal year (excluding posi-
25 tions reserved for Corporation programs under sub-

1 section (b)), the Corporation shall distribute not less
2 than 20 percent of such positions to States on a
3 competitive basis.

4 “(2) FEDERAL AGENCIES AND OTHER APPLI-
5 CANTS.—The Corporation shall distribute on a com-
6 petitive basis to subdivisions of States, Indian tribes,
7 public and private nonprofit organizations, institu-
8 tions of higher education, and Federal agencies—

9 “(A) the remainder of the funds appro-
10 priated to provide assistance under section 121
11 for a fiscal year, after operation of paragraph
12 (1) and subsections (a) and (c); and

13 “(B) the remainder of the approved na-
14 tional service positions to be available under
15 this section for a fiscal year, after operation of
16 paragraph (1) and subsections (a) and (b).

17 “(e) APPLICATION REQUIRED.—The allotment of as-
18 sistance and approved national service positions to a State
19 under subsection (a), and the competitive distribution of
20 assistance and approved national service positions under
21 subsection (c), shall be made by the Corporation only pur-
22 suant to an application submitted by a State or other ap-
23 plicant under section 130 and approved by the Corpora-
24 tion under section 133.

1 “(f) DISTRIBUTION OF APPROVED POSITIONS SUB-
2 JECT TO AVAILABLE FUNDS.—The Corporation may not
3 distribute approved national service positions under this
4 section for a fiscal year in excess of the number of such
5 positions for which the Corporation has sufficient available
6 funds in the National Service Trust for that fiscal year
7 to satisfy the maximum possible obligations likely to be
8 incurred by the United States to provide the national serv-
9 ice educational award corresponding to service in these po-
10 sitions.

11 “(g) SPONSORSHIP OF APPROVED NATIONAL SERV-
12 ICE POSITIONS.—

13 “(1) SPONSORSHIP AUTHORIZED.—The Cor-
14 poration may enter into agreements with persons or
15 entities who offer to sponsor national service posi-
16 tions for which the person or entity will be respon-
17 sible for supplying the funds necessary to provide a
18 national service educational award. The distribution
19 of these approved national service positions shall be
20 made pursuant to the agreement, and the creation
21 of these positions shall not be taken into consider-
22 ation in determining the number of approved na-
23 tional service positions to be available for distribu-
24 tion under this section.

1 “(2) DEPOSIT OF CONTRIBUTION.—Funds pro-
2 vided pursuant to an agreement under paragraph
3 (1) shall be deposited in the National Service Trust
4 established in section 145 until such time as the
5 funds are needed.

6 **“SEC. 130. APPLICATION FOR ASSISTANCE AND APPROVED**
7 **NATIONAL SERVICE POSITIONS.**

8 “(a) TIME, MANNER, AND CONTENT OF APPLICA-
9 TION.—To be eligible to receive assistance under section
10 121 and approved national service positions for partici-
11 pants who serve in the national service programs to be
12 carried out using the assistance, a State, subdivision of
13 a State, Indian tribe, public or private nonprofit organiza-
14 tion, institution of higher education, or Federal agency
15 shall prepare and submit to the Corporation an application
16 at such time, in such manner, and containing such infor-
17 mation as the Corporation may reasonably require.

18 “(b) TYPES OF APPLICATION INFORMATION.—In
19 order to have adequate information upon which to consider
20 an application under section 133, the Corporation may re-
21 quest the following information to be provided in an appli-
22 cation submitted under subsection (a):

23 “(1) A description of the national service pro-
24 grams proposed to be carried out directly by the ap-
25 plicant using assistance provided under section 121.

1 “(2) A description of the process and criteria by
2 which national service programs, other than national
3 service programs carried out by a State agency, were
4 selected by the applicant to receive a grant from as-
5 sistance requested under section 121.

6 “(3) A description of other funding sources to
7 be used, or sought to be used, for the national serv-
8 ice programs and any grant program described in
9 paragraphs (1) and (2), and, if the application is
10 submitted for the purpose of seeking a renewal of
11 assistance, a description of the success of the pro-
12 grams in reducing their reliance on Federal funds.

13 “(4) A description of the extent to which the
14 projects to be conducted using the assistance will ad-
15 dress unmet human, educational, environmental, or
16 public safety needs and produce a direct benefit for
17 the community in which the projects are performed.

18 “(5) A description of the manner in which the
19 national service programs will involve participants—

20 “(A) in projects that build an ethic of civic
21 responsibility and produce a positive change in
22 the lives of participants through training and
23 participation in meaningful service experiences
24 and opportunities for reflection on such experi-
25 ences; and

1 “(B) in the design of the program and pro-
2 vide leadership positions to participants in im-
3 plementing and evaluating the program.

4 “(6) Measurable goals for the national service
5 programs and any grant program, and a strategy to
6 achieve such goals, in terms of—

7 “(A) the impact to be made in meeting
8 unmet human, educational, environmental, or
9 public safety needs; and

10 “(B) the service experience to be provided
11 to participants in the programs.

12 “(7) A description of the manner and extent to
13 which the proposed national service programs and
14 any proposed grant program conform to the national
15 service priorities established by the Corporation
16 under section 122(c).

17 “(8) A description of the past experience of the
18 applicant in operating a comparable program or in
19 conducting a grant program in support of other
20 comparable programs.

21 “(9) A description of the type and number of
22 approved national service positions that the appli-
23 cant requests to be approved as including the na-
24 tional service educational award described in subtitle
25 D.

1 “(10) Such other information as the Corpora-
2 tion may reasonably require.

3 “(c) APPLICATION TO RECEIVE ONLY APPROVED NA-
4 TIONAL SERVICE POSITIONS.—In the case of applicant
5 that requests national service educational awards for indi-
6 viduals serving in positions described in section 123, but
7 that is not seeking assistance under section 121 or the
8 positions are not in a national service program described
9 in section 122(a), the Corporation shall establish special
10 application requirements in order to determine—

11 “(1) whether the service positions meet unmet
12 educational, human service, environmental, or public
13 safety needs; and

14 “(2) whether the Corporation should approve
15 the positions as approved national service positions
16 that include the national service educational award
17 described in subtitle D as one of the benefits to be
18 provided for successful service in the position.

19 “(d) SPECIAL RULE FOR STATE APPLICANTS.—

20 “(1) SUBMISSION BY STATE COMMISSION.—The
21 application of a State for a grant under section 121
22 or approved national service positions, whether sub-
23 mitted to obtain the allotment of the State or a com-
24 petitive grant under section 129, shall be submitted
25 by the State Commission.

1 “(2) ASSISTANCE TO NONSTATE ENTITIES.—

The application of a State shall also contain a guarantee that not less than _____ percent of any assistance provided under section 121 to the State will be used to make grants in support of national service programs, other than national service programs carried out by a State agency, that were selected by the State on a competitive basis. The Corporation may permit a State to deviate from the percentage specified by this subsection if the State has not received a sufficient number of acceptable applications from national service programs to comply with the percentage.

14 “(e) LIMITATION ON SAME PROJECT IN MULTIPLE
15 APPLICATIONS.—The Corporation may reject an applica-
16 tion submitted under this section if a project proposed to
17 be conducted using assistance requested by the applicant
18 is already pending before the Corporation in another appli-
19 cation.

20 "SEC. 131. NATIONAL SERVICE PROGRAM ASSISTANCE RE-
21 QUIREMENTS.

22 “(a) IMPACT ON PARTICIPANTS.—An application
23 submitted under section 130 shall include a guarantee by
24 the applicant that any national service program carried
25 out by the applicant using assistance provided under sec-

tion 121 and any national service program supported by
a grant made by the applicant using such assistance will—

“(1) provide participants in the national service
program with the training, skills, and knowledge
necessary for the projects that participants are
called upon to perform; and

“(2) provide support services to participants,
such as the provision of appropriate information and
support—

“(A) to those participants who are school
dropouts in order to assist such participants in
earning the equivalent of a high school diploma;
and

“(B) to those participants who are com-
pleting a term of service and making the transi-
tion to other educational and career opportuni-
ties.

“(b) NONDUPLICATION AND NONDISPLACEMENT RE-
QUIREMENTS.—An application submitted under section
130 shall also include a guarantee by the applicant that
the applicant will comply with the nonduplication and
nondisplacement requirements specified in subsections (a)
and (b) of section 177 in carrying out the national service
programs and any grant program in support of national
service programs.

1 “(c) CONSULTATION.—An application submitted
2 under section 130 shall also include a guarantee by the
3 applicant that any national service program carried out
4 by the applicant using assistance provided under section
5 121 and any national service program supported by a
6 grant made by the applicant using such assistance will—

7 “(1) provide in the design, recruitment, and op-
8 eration of the program for broad-based input from
9 the community served and community-based agen-
10 cies with a demonstrated record of experience in pro-
11 viding services; and

12 “(2) prior to the placement of participants, con-
13 sult with any local labor organization representing
14 employees in the area who are engaged in the same
15 or similar work as that proposed to be carried out
16 by such program to ensure compliance with the
17 nondisplacement requirements specified in section
18 177(a).

19 “(d) EVALUATION AND PERFORMANCE GOALS.—

20 “(1) IN GENERAL.—An application submitted
21 under section 130 shall also include a guarantee by
22 the applicant that the applicant will—

23 “(A) arrange for an independent evalua-
24 tion of any national service program carried out

1 using assistance provided to the applicant under
2 section 121;

3 “(B) develop measurable performance
4 goals and evaluation methods (such as the use
5 of surveys of participants and persons served),
6 which are to be used as part of such evaluation
7 to determine the impact of the program—

8 “(i) on communities and persons
9 served by the projects performed by the
10 program;

11 “(ii) on participants who take part in
12 the projects; and

13 “(ii) in such other areas as the Cor-
14 poration may require; and

15 “(C) cooperate with any evaluation activi-
16 ties undertaken by the Corporation.

17 “(2) ALTERNATIVE EVALUATION REQUIRE-
18 MENTS.—The Corporation may waive or establish al-
19 ternative evaluation requirements for national serv-
20 ice programs based upon the amount of assistance
21 received under section 121 or received by a grant
22 made by a recipient of assistance under such section.
23 The determination of whether a national service pro-
24 gram is covered by this paragraph shall be made in
25 such manner as the Corporation may prescribe.

1 “(e) LIVING ALLOWANCES AND OTHER INSERVICE
2 BENEFITS.—Except as provided in section 140(b), an ap-
3 plication submitted under section 124 shall also include
4 a guarantee by the applicant that the applicant will—

5 “(1) provide a living allowance and other bene-
6 fits specified in section 140 to participants in any
7 national service program carried out by the appli-
8 cant using assistance provided under section 121;
9 and

10 “(2) require that each national service program
11 that receives a grant from the applicant using such
12 assistance will also provide a living allowance and
13 other benefits specified in section 140 to participants
14 in the program.

15 “(f) SELECTION OF PARTICIPANTS FROM NATION-
16 ALLY RECRUITED PARTICIPANTS.—The Corporation may
17 also require a guarantee by the applicant that any national
18 service program carried out by the applicant using assist-
19 ance provided under section 121 and any national service
20 program supported by a grant made by the applicant
21 using such assistance will select a portion of the partici-
22 pants for the program from among prospective partici-
23 pants recruited by the Corporation under section 138(c).
24 The Corporation may specify a minimum percentage of
25 participants to be selected from the national leadership

1 pool established under section 138(d) and may vary the
2 percentage for different types of national service pro-
3 grams.

4 **“SEC. 132. INELIGIBLE SERVICE CATEGORIES.**

5 “An application submitted to the Corporation under
6 section 130 shall include a guarantee by the applicant that
7 any national service program carried out using assistance
8 provided under section 121 and any approved national
9 service position provided to an applicant will not be used
10 to perform service that provides a direct benefit to any—

11 “(1) business organized for profit;

12 “(2) labor union;

13 “(3) partisan political organization; or

14 “(4) organization engaged in religious activities,
15 unless such service does not involve the use of assist-
16 ance provided under section 121 or the occupancy of
17 an approved national service position by program
18 participants and program staff to give religious in-
19 struction, conduct worship services, or engage in any
20 form of proselytization.

21 **“SEC. 133. CONSIDERATION OF APPLICATIONS.**

22 “(a) CONSIDERATION OF CERTAIN CRITERIA.—The
23 Corporation shall apply the criteria described in sub-
24 sections (b) and (c) in determining whether—

1 “(1) to approve an application submitted under
2 section 130 and provide assistance under section
3 121 to the applicant; and

4 “(2) to designate positions described in the ap-
5 plication as national service positions including the
6 national service educational award described in sub-
7 title D and provide such approved national service
8 positions to the applicant.

9 “(b) ASSISTANCE CRITERIA.—The criteria required
10 to be applied by the Corporation in evaluating applications
11 submitted under section 130 are as follows:

12 “(1) The quality of the national service pro-
13 gram proposed to be carried out directly by the ap-
14 plicant or supported by a grant from the applicant.

15 “(2) The innovative aspects of the national
16 service program, and the feasibility of replicating the
17 program.

18 “(3) The sustainability of the national service
19 program, based on evidence such as the existence—

20 “(A) of strong and broad-based community
21 support for the program; and

22 “(B) of multiple funding sources or private
23 funding for the program.

24 “(4) The quality of the leadership of the na-
25 tional service program, the past performance of the

1 program, and the extent to which the program
2 builds on existing programs.

3 “(5) The extent to which participants and resi-
4 dents of the communities in which projects are to be
5 conducted are involved in the design, leadership, and
6 operation of the national service program.

7 “(6) The extent to which projects would be con-
8 ducted in areas where they are needed most, such
9 as—

10 “(A) communities designated as enterprise
11 zones or redevelopment areas or otherwise tar-
12 geted for special economic incentives;

13 “(B) areas that are environmentally dis-
14 tressed; or

15 “(C) areas adversely affected by reductions
16 in defense spending or the closure or realign-
17 ment of military installations.

18 “(7) Such other criteria that the Corporation
19 considers to be appropriate.

20 “(c) OTHER CONSIDERATIONS.—

21 “(1) GEOGRAPHIC DIVERSITY.—The Corpora-
22 tion shall ensure that recipients of assistance pro-
23 vided under section 121 on a competitive basis are
24 geographically diverse and that projects are con-
25 ducted in both urban and rural areas.

1 “(2) PRIORITIES.—The Corporation may des-
2 ignate, under such criteria as may be established by
3 the Corporation, certain national service programs
4 or types of national service programs described in
5 section 122(a) for priority consideration in the com-
6 petitive distribution of funds under section 121. In
7 designating national service programs to receive pri-
8 ority, the Corporation may include—

9 “(A) national service programs carried out
10 by another Federal agency;

11 “(B) national service programs that oper-
12 ate in more than 1 State and conform to the
13 national service priorities in effect under section
14 122(c) for that fiscal year;

15 “(C) innovative national service programs;

16 “(D) private national service programs
17 that are well established in 1 or more States at
18 the time of the application and are proposed to
19 be expanded to additional States using assist-
20 ance provided under section 121; and

21 “(E) grant programs in support of other
22 national service programs if the grant programs
23 are to be conducted by nonprofit organizations
24 with an established and extensive expertise in

1 the provision of services to meet human, edu-
2 cational, environmental, or public safety needs.

3 “(d) REJECTION OF STATE APPLICATIONS.—

4 “(1) NOTIFICATION OF STATE APPLICANTS.—If
5 the Corporation rejects an application submitted by
6 a State Commission under section 130, the Corpora-
7 tion shall promptly notify the State Commission of
8 the reasons for the rejection of the application.

9 “(2) RESUBMISSION AND RECONSIDERATION.—
10 The Corporation shall provide a State Commission
11 notified under paragraph (1) with a reasonable op-
12 portunity to revise and resubmit the application. At
13 the request of the State Commission, the Corpora-
14 tion shall provide technical assistance to the State
15 Commission as part of the resubmission process.
16 The Corporation shall promptly reconsider an appli-
17 cation resubmitted under this paragraph.

18 “(3) REALLOTMENT.—The amount of any
19 State’s allotment under section 129(a) for a fiscal
20 year that the Corporation determines will not be
21 provided for that fiscal year shall be available for
22 distribution by the Corporation as provided in para-
23 graph (4) of such section.

24 “(d) APPLICATION TO SUBGRANTS.—A State or
25 other applicant that conducts a grant program with assist-

1 ance provided under section 121 shall use the criteria de-
2 scribed in subsections (b) and (c) whenever considering
3 applications submitted by national service programs to re-
4 ceive a portion of such assistance or an approved national
5 service position.

6 **"SEC. 134. MATCHING FUNDS REQUIREMENTS BY RECIPI-**
7 **ENTS.**

8 “(a) REQUIREMENTS.—A State or other applicant re-
9 ceiving assistance under section 121 which uses such as-
10 sistance to carry out directly a national service program
11 shall be required to satisfy the matching funds require-
12 ments established under section 116. Any national service
13 program that receives funds from a grant program oper-
14 ated by a State or other applicant using assistance ob-
15 tained under section 121 shall also satisfy such matching
16 funds requirements with respect to the funds provided by
17 the grant. The waiver authority provided under section
18 116(b) shall also apply with respect assistance provided
19 under this subtitle.

20 “(b) EXCEPTION.—A Federal agency receiving assist-
21 ance under section 121(b) shall not be required to satisfy
22 the matching funds requirements established under sec-
23 tion 116. However, the supplementation requirements
24 specified in section 173 shall apply with respect to the

1 Federal national service programs supported with such as-
2 sistance.

3 **"PART III—NATIONAL SERVICE PARTICIPANTS**

4 **"SEC. 137. DESCRIPTION OF PARTICIPANTS.**

5 "(a) IN GENERAL.—An individual shall be considered
6 to be a participant in a national service program carried
7 out using assistance provided under section 121 if the
8 individual—

9 "(1) meets such eligibility requirements as may
10 be established by the program;

11 "(2) is selected by the program to serve in a
12 leadership position with the program or to serve in
13 projects conducted by the program;

14 "(3) will serve in the program for a term of
15 service specified in section 139 to be performed be-
16 fore, during, or after attendance at an institution of
17 higher education;

18 "(4) is 17 years of age or older at the time the
19 individual begins the term of service;

20 "(5) has received a high school diploma or its
21 equivalent or agrees to obtain a high school diploma
22 or its equivalent during the term of service and the
23 individual did not drop out of an elementary or sec-
24 ondary school to enroll in the program; and

1 “(6) is a citizen of the United States or lawfully
2 admitted for permanent residence.

3 “(b) SPECIAL RULES FOR CERTAIN PROGRAMS.—An
4 individual shall be considered to be a participant in a
5 youth corps program described in section 122(a)(2) or a
6 program described in section 122(a)(9) that is carried out
7 with assistance provided under section 121 if the
8 individual—

9 “(1) satisfies the requirements specified in sub-
10 section (a), except paragraph (4) of such subsection;
11 and

12 “(2) is an out-of-school youth at the time the
13 individual begins the term of service.

14 **“SEC. 138. SELECTION OF NATIONAL SERVICE PARTICI-**
15 **PANTS.**

16 “(a) SELECTION PROCESS.—Subject to subsection
17 (b), the actual recruitment and selection of an individual
18 to serve in a national service program receiving assistance
19 under section 121 or to fill an approved national service
20 position shall be conducted by the State, subdivision of
21 a State, Indian tribe, public or private nonprofit organiza-
22 tion, institution of higher education, Federal agency, or
23 other entity to which the assistance or approved national
24 service position is provided.

1 “(b) NONDISCRIMINATION IN SELECTION OF PAR-
2 TICIPANTS.—The recruitment and selection of individuals
3 to serve in national service programs receiving assistance
4 under section 121 or to fill approved national service posi-
5 tions shall be consistent with the nondiscrimination re-
6 quirements of section 175 and shall be conducted without
7 regard to the political affiliation of the individuals.

8 “(c) RECRUITMENT AND PLACEMENT.—The Cor-
9 poration and each State Commission shall establish a sys-
10 tem to recruit individuals who desire to perform national
11 service and to assist the placement of these individuals in
12 approved national service positions, including positions
13 available under title I of the Domestic Volunteer Service
14 Act of 1973 (42 U.S.C. 4951).

15 “(d) NATIONAL LEADERSHIP POOL.—

16 “(1) SELECTION AND TRAINING.—From among
17 individuals recruited under subsection (c), the Cor-
18 poration may select individuals with significant lead-
19 ership potential, as determined by the Corporation,
20 to receive special training to enhance their leader-
21 ship ability. The training shall be provided by Cor-
22 poration directly or through a grant or contract.

23 “(2) ASSIGNMENT.—At the request of a pro-
24 gram that receives assistance under the national
25 service laws, the Corporation may assign an individ-

1 ual selected under paragraph (1) to work with the
2 program in a leadership position. An individual as-
3 signed to a program shall be considered to be a par-
4 ticipant of the program. The Corporation or the pro-
5 gram may provide a living allowance to the individ-
6 ual in excess of the maximum level established in
7 section 140(a)(3).

8 "SEC. 139. REQUIRED TERMS OF SERVICE OF NATIONAL
9 SERVICE PARTICIPANTS.

“(a) IN GENERAL.—As a condition of receiving a national service education award under subtitle D, a participant in an approved national service position shall be required to perform full- or part-time national service for a term of service specified in subsection (b).

15 “(b) TERM OF SERVICE.—

“(1) FULL-TIME SERVICE.—An individual performing full-time national service in an approved national service position shall agree to participate in projects for not less than 1,500 hours during a period of not less than 9 months and not more than 1 year.

22 “(2) PART-TIME SERVICE.—Except as provided
23 in paragraph (3), an individual performing part-time
24 national service in an approved national service posi-
25 tion shall agree to participate in projects for not less

1 than 1,500 hours during a period of not less than
2 1 year and not more than 2 years.

3 “(3) REDUCTION IN HOURS OF PART-TIME
4 SERVICE.—The Corporation may reduce the number
5 of hours required to be served to successfully com-
6 plete part-time national service, except that any re-
7 duction in the required term of service shall include
8 a corresponding reduction in the amount of any na-
9 tional service educational award that may be avail-
10 able under subtitle D with regard to that service.

11 “(c) RELEASE FROM COMPLETING TERM OF SERV-
12 ICE.—

13 “(1) RELEASE AUTHORIZED.—A State or other
14 recipient of assistance under section 121 or an ap-
15 proved national service position may release a partic-
16 ipant from completing a term of service in the posi-
17 tion for compelling personal circumstances as dem-
18 onstrated by the participant.

19 “(2) EFFECT OF RELEASE.—If the released
20 participant was serving in an approved national
21 service position, the participant may receive a por-
22 tion of the national service educational award cor-
23 responding to that service in the manner provided in
24 section 147(c).

1 **"SEC. 140. LIVING ALLOWANCES FOR NATIONAL SERVICE**
2 **PARTICIPANTS.**

3 “(a) PROVISION OF LIVING ALLOWANCE.—

4 “(1) LIVING ALLOWANCE PERMITTED.—Subject
5 to paragraph (3), a national service program carried
6 out using assistance provided under section 121 may
7 provide to each participant in the program a living
8 allowance in such an amount as may be established
9 by the program.

10 “(2) LIMITATION ON FEDERAL SHARE.—The
11 amount of the annual living allowance provided
12 under paragraph (1) that may be paid using assist-
13 ance provided under section 121 and using any other
14 Federal funds shall not exceed the lesser of—

15 “(A) 85 percent of the total average an-
16 nual subsistence allowance and stipend provided
17 to VISTA volunteers under section 105 of the
18 Domestic Volunteer Service Act of 1973 (42
19 U.S.C. 4955); and

20 “(B) 85 percent of the annual living allow-
21 ance established by the national service pro-
22 gram involved.

23 “(3) MAXIMUM LIVING ALLOWANCE.—Except
24 as provided in subsection (b), the total amount of a
25 living allowance, determined on an hourly basis, that
26 may be provided to a participant in a national serv-

1 ice program shall not exceed 200 percent of the
2 hourly equivalent of the total average annual sub-
3 sistence allowance and stipend provided to VISTA
4 volunteers under section 105 of the Domestic Volun-
5 teer Service Act of 1973 (42 U.S.C. 4955) for each
6 hour of national service performed by the partici-
7 pant.

8 “(b) EXCEPTION FROM MAXIMUM LIVING ALLOW-
9 ANCE FOR CERTAIN ASSISTANCE.—A State or other appli-
10 cant for assistance under section 121, such as a profes-
11 sional corps program described in section 123(a)(8), that
12 desires to provide a living allowance in excess of the maxi-
13 mum allowance authorized in subsection (a)(3) may still
14 apply for such assistance, except that—

15 “(1) any assistance provided to the applicant
16 under section 121 may not be used to pay for any
17 portion of the allowance;

18 “(2) the applicant shall apply for such assist-
19 ance only by submitting an application to the Cor-
20 poration for assistance on a competitive basis; and

21 “(3) the national service program must be oper-
22 ated directly by the applicant and must meet urgent,
23 unmet human, educational, environmental, or public
24 safety needs, as determined by the Corporation.

1 “(c) HEALTH INSURANCE.—Any assistance provided
2 to a national service program under section 121, whether
3 the assistance is provided directly by the Corporation
4 under such section or by a grant from a recipient of assist-
5 ance under such section, shall be in an amount that is
6 sufficient to pay 85 percent of the cost of a basic health
7 care policy for each full-time participant in the program
8 who does not otherwise have access to health insurance.
9 The Corporation shall establish the contents of the basic
10 health care policy required to be provided under this sub-
11 section.

12 “(d) CHILD CARE.—A State or other recipient of as-
13 sistance under section 121 shall—

14 “(1) make child care available for children of
15 each full-time participant in a national service pro-
16 gram; or

17 “(2) provide a child care allowance to each full-
18 time participant in a national service program who
19 has children.

20 **“SEC. 141. NATIONAL SERVICE EDUCATIONAL AWARDS.**

21 “A participant in a national service program carried
22 out using assistance provided to an applicant under sec-
23 tion 121 shall be eligible for the national service edu-
24 cational award described in subtitle D if the participant—

1 “(1) serves in an approved national service po-
2 sition; and

3 “(2) satisfies the eligibility requirements speci-
4 fied in section 146 with respect to service in that ap-
5 proved national service position.”.

6 (b) TABLE OF CONTENTS.—Section 1(b) of the Na-
7 tional and Community Service Act of 1990 (Public Law
8 101–610; 104 Stat. 3127) is amended by striking the
9 items relating to subtitle C of title I of such Act and in-
10 serting the following new items:

“Subtitle C—National Service Program

“PART I—INVESTMENT IN NATIONAL SERVICE

“Sec. 121. Authority to provide assistance to national service programs.

“Sec. 122. Types of national service programs eligible for program assistance.

“Sec. 123. Types of national service positions eligible for approval for national
service educational awards.

“Sec. 124. Types of program assistance.

“Sec. 125. Training and technical assistance.

“Sec. 126. Other special assistance.

“PART II—APPLICATION AND APPROVAL PROCESS

“Sec. 129. Provision of assistance and approved national service positions by
competitive and other means.

“Sec. 130. Application for assistance and approved national service positions.

“Sec. 131. National service program assistance requirements.

“Sec. 132. Ineligible service categories.

“Sec. 133. Consideration of applications.

“Sec. 134. Matching funds requirements by recipients.

“PART III—NATIONAL SERVICE PARTICIPANTS

“Sec. 137. Description of participants.

“Sec. 138. Selection of national service participants.

“Sec. 139. Required terms of service of national service participants.

“Sec. 140. Living allowances for national service participants.

“Sec. 141. National service educational awards.”.

1 **SEC. 102. NATIONAL SERVICE TRUST AND PROVISION OF**
2 **NATIONAL SERVICE EDUCATIONAL AWARDS.**

3 (a) ESTABLISHMENT OF TRUST; PROVISION OF
4 AWARDS.—Subtitle D of title I of the National and Com-
5 munity Service Act of 1990 (42 U.S.C. 12571 et seq.) is
6 amended to read as follows:

7 **“Subtitle D—National Service**
8 **Trust and Provision of National**
9 **Service Educational Awards**

10 **“SEC. 145. ESTABLISHMENT OF THE NATIONAL SERVICE**
11 **TRUST.**

12 “(a) ESTABLISHMENT.—There is established in the
13 Treasury of the United States an account to be known
14 as the National Service Trust. The Trust shall consist
15 of—

16 “(1) such amounts as the Corporation may des-
17 ignate to be available for the payment of national
18 service educational awards from the amounts appro-
19 priated to the Corporation and made available to
20 carry out this subtitle pursuant to section 501(a)(1);

21 “(2) any amounts received by the Corporation
22 as gifts, bequests, devise, or otherwise pursuant to
23 section 196(a)(2);

24 “[(3) the interest on, and proceeds from the
25 sale or redemption of, any obligations held by the
26 Trust];

1 “[(4) other-to be supplied].

2 “(b) INVESTMENT OF TRUST.—It shall be the duty
3 of the Secretary of the Treasury to invest in full the
4 amounts appropriated to the Trust. [Except as otherwise
5 expressly provided in instruments concerning a gift, be-
6 quest, devise, or other donation and agreed to by the Cor-
7 poration,] such investments may be made only in interest-
8 bearing obligations of the United States or in obligations
9 guaranteed as to both principal and interest by the United
10 States. For such purpose, such obligations may be ac-
11 quired (1) on original issue at the issue price, or (2) by
12 purchase of outstanding obligations at the market place.
13 Any obligation acquired by the Trust may be sold by the
14 Secretary at the market price.

15 “(c) EXPENDITURES FROM TRUST.—Amounts in the
16 Trust shall be available for payments of national service
17 educational awards in accordance with section 148.

18 “(d) REPORTS TO CONGRESS ON RECEIPTS AND EX-
19 PENDITURES.—The Corporation shall submit an annual
20 report to the Congress on the financial status of the Trust.
21 Such report shall—

22 “(1) specify (A) the amount deposited to the
23 Trust from the most recent appropriation to the
24 Corporation, (B) the amount received by the Cor-
25 poration as gifts or bequest during the period cov-

1 ered by the report, and (C) any amounts obtained by
2 the Trust pursuant to subsection[s] (a)(3) [and
3 (a)(4)];

4 “(2) identify the number of individuals who are
5 currently performing service to qualify, or have
6 qualified, for national service educational awards;

7 “(3) identify the number of individuals whose
8 ability to claim national service educational awards
9 has, during the period covered by the report (A)
10 been reduced pursuant to section 147(b), or (B)
11 lapsed pursuant to section 146(d); and

12 “(4) estimate the number of additional ap-
13 proved national service positions which the Corpora-
14 tion will be able to make available under subtitle C
15 on the basis of any accumulated surplus in the
16 Trust above the amount required to provide national
17 service educational awards to individuals identified
18 under paragraph (2).

19 **“SEC. 146. INDIVIDUALS ELIGIBLE TO RECEIVE A NATIONAL**
20 **SERVICE EDUCATIONAL AWARD FROM THE**
21 **TRUST.**

22 “(a) ELIGIBLE INDIVIDUALS.—An individual shall
23 receive a national service educational award from the Na-
24 tional Service Trust if the individual—

1 “(1) successfully completes the required term of
2 service described in subsection (b) in an approved
3 national service position;

4 “(2) was 17 years of age or older at the time
5 the individual began serving in the approved na-
6 tional service position or was an out-of-school youth
7 serving in an approved national service position with
8 a youth corps program described in section
9 122(a)(2) or a program described in section
10 122(a)(9);

11 “(3) has a high school diploma, or the equiva-
12 lent of such diploma, at the time the individual com-
13 pletes the term of service; and

14 “(4) is a citizen of the United States or lawfully
15 admitted for permanent residence.

16 “(b) TERM OF SERVICE.—The term of service for an
17 approved national service position shall not be less than
18 the full- or part-time term of service specified in section
19 139(b).

20 “(c) LIMITATION ON NUMBER OF TERMS OF SERV-
21 ICE FOR AWARDS.—Although an individual may serve
22 more than 2 terms of service described in subsection (b)
23 in an approved national service position, the individual
24 shall receive a national service educational award from the

1 National Service Trust only on the basis of the first and
2 second of such terms of service.

3 “(d) TIME FOR USE OF EDUCATIONAL AWARD.—

4 “(1) FIVE-YEAR REQUIREMENT.—An individual
5 eligible to receive a national service educational
6 award under this section may not use such award
7 after the end of the 5-year period beginning on the
8 date the individual completes the term of service in
9 an approved national service position that is the
10 basis of the award.

11 “(2) EXCEPTION.—The Corporation may ex-
12 tend the period within which an individual may use
13 a national service educational award if the Corpora-
14 tion determines that the individual—

15 “(A) was unavoidably prevented from
16 using the national service educational award
17 during the original 5-year period; or

18 “(B) performed another term of service in
19 an approved national service position during
20 that period.

21 **“SEC. 147. DETERMINATION OF THE AMOUNT OF THE NA-**
22 **TIONAL SERVICE EDUCATIONAL AWARD.**

23 “(a) AMOUNT GENERALLY.—Except as provided in
24 subsection (b), an individual described in section 146(a)
25 who successfully completes a required term of service in

1 an approved national service position shall receive a na-
2 tional service educational award having a value equal to
3 \$6,500 for each of not more than 2 of such terms of serv-
4 ice.

5 “(b) AWARD FOR PARTIAL COMPLETION OF SERV-
6 ICE.—If an individual serving in an approved national
7 service position is released from completing the term of
8 service agreed to by the individual, the Corporation may
9 provide the individual with that portion of the national
10 service educational award approved for the individual that
11 corresponds to the quantity of the term of service actually
12 completed by the individual.

13 “(c) AWARD EXCLUSION FROM GROSS INCOME.—
14 For purposes of section 61 of the Internal Revenue Code
15 of 1986 (26 U.S.C. 61), in the case of an individual, gross
16 income shall not include any amount received as a national
17 service educational award from the National Service
18 Trust.

19 “(d) AWARD EXCLUSION FROM MEANS-TESTED PRO-
20 GRAMS.—Any amount received by an individual as a na-
21 tional service educational award shall not be included as
22 income for purposes of determining eligibility for means-
23 tested Federal programs. **【Define means-tested Federal**
24 **programs. Move to conforming amendments?】**

1 **"SEC. 148. DISBURSEMENT OF NATIONAL SERVICE EDU-**
2 **CATIONAL AWARDS.**

3 “(a) IN GENERAL.—Amounts in the Trust shall be
4 available—

5 “(1) to repay student loans in accordance with
6 subsection (b);

7 “(2) to pay all or part of the cost of attendance
8 at an institution of higher education in accordance
9 with subsection (c); and

10 “(3) to pay expenses incurred in participating
11 in an apprenticeship program in accordance with
12 subsection (d).

13 “(b) USE OF EDUCATIONAL AWARD TO REPAY OUT-
14 STANDING STUDENT LOANS.—

15 “(1) APPLICATION BY ELIGIBLE INDIVID-
16 UALS.—An eligible individual under section 146 who
17 desires to apply his or her national service edu-
18 cational award to the repayment of qualified student
19 loans shall submit, on a form prescribed by the Cor-
20 poration, an application to the Corporation that—

21 “(A) identifies, or permits the Corporation
22 to identify readily, the holder or holders of such
23 loans;

24 “(B) indicates, or permits the Corporation
25 to determine readily, the amounts of principal
26 and interest outstanding on the loans; and

1 “(C) contains or is accompanied by such
2 other information as the Corporation may re-
3 quire.

4 “(2) DISBURSEMENT OF REPAYMENTS.—Upon
5 receipt of an application from an eligible individual
6 of an application that complies with paragraph (1),
7 the Corporation shall, as promptly as practicable
8 consistent with paragraph (5), disburse the amount
9 of the national service educational award to which
10 the eligible individual is entitled. Such disbursement
11 shall be made by check or other means that is pay-
12 able to the holder of the loan and requires the en-
13 dorsement or other certification by the eligible indi-
14 vidual.

15 “(3) APPLICATION OF DISBURSED AMOUNTS.—
16 If the amount disbursed under paragraph (2) is less
17 than the principal and accrued interest on any quali-
18 fied student loan, such amount shall first be applied
19 to the repayment of principal.

20 “(4) REPORTS BY HOLDERS.—Any holder re-
21 ceiving a loan payment pursuant to this subsection
22 shall submit to the Corporation such information as
23 the Corporation may require to verify that such pay-
24 ment was applied in accordance with this subsection

1 and any regulations prescribed to carry out this sub-
2 section.

3 “(5) AUTHORITY TO AGGREGATE PAYMENTS.—
4 The Corporation may, by regulation, provide for the
5 aggregation of payments to holders under this sub-
6 section.

7 “(6) DEFINITION OF QUALIFIED STUDENT
8 LOANS.—The term ‘qualified student loans’ means—
9 “(A) any loan made, insured, or guaran-
10 teed pursuant to title IV of the Higher Edu-
11 cation Act of 1965 (20 U.S.C. 1070 et seq.),
12 other than a loan to a parent of a student pur-
13 suant to section 428B of such Act (20 U.S.C.
14 1078-2);

15 “(B) any loan made pursuant to title VII
16 of the Public Health Service Act (42 U.S.C.
17 292a et seq.);

18 “(C) [other - to be supplied]

19 “(7) DEFINITION OF HOLDER.—The term
20 ‘holder’ with respect to any eligible loan means the
21 original lender or, if the loan is subsequently sold,
22 transferred, or assigned to some other person, and
23 such other person acquires a legally enforceable
24 right to receive payments from the borrower, such
25 other person.

1 “(8) [other - to be supplied]

2 “(c) USE OF EDUCATIONAL AWARDS TO PAY CUR-
3 RENT EDUCATIONAL EXPENSES.—

4 “(1) APPLICATION BY ELIGIBLE INDIVIDUAL.—

5 An eligible individual under section 146 who desires
6 to apply his or her national service educational
7 award to the payment of current educational ex-
8 penses shall, on a form prescribed by the Corpora-
9 tion, submit an application to the institution of high-
10 er education in which the student will be enrolled
11 that contains such information as the Corporation
12 may require to verify the individual's eligibility.

13 “(2) SUBMISSION OF REQUESTS FOR PAYMENT
14 BY INSTITUTIONS.—An institution of higher edu-
15 cation that receives 1 or more applications that com-
16 ply with paragraph (1) shall submit to the Corpora-
17 tion a statement, in a form prescribed by the Cor-
18 poration, that—

19 “(A) identifies the eligible individuals filing
20 applications under paragraph (1) for a dis-
21 bursement of the individual's national service
22 educational award under this subsection;

23 “(B) specifies the amounts for which such
24 eligible individuals are, consistent with para-

1 graph (6), qualified for disbursement under this
2 subsection;

3 “(C) certifies that (i) the institution of
4 higher education has in effect a program par-
5 ticipation agreement under section 487 of the
6 Higher Education Act of 1965 (20 U.S.C.
7 1094), and (ii) the institution’s eligibility to
8 participate in programs under title IV of such
9 Act (20 U.S.C. 1070 et seq.) has not been lim-
10 ited, suspended, or terminated; and

11 “(D) contains such provisions concerning
12 **【financial compliance】** as the Corporation may
13 require.

14 “(3) DISBURSEMENT OF PAYMENTS.—Upon re-
15 ceipt of a statement from an institution of higher
16 education that complies with paragraph (2), the Cor-
17 poration shall, subject to paragraph (4), disburse the
18 total amount of the national service educational
19 awards for which eligible individuals who have sub-
20 mitted applications to that institution under para-
21 graph (1) are qualified. Such disbursement shall be
22 made by check or other means that is payable to the
23 institution and requires the endorsement or other
24 certification by the eligible individual.

1 “(4) MULTIPLE DISBURSEMENTS REQUIRED.—

2 The total amount required to be disbursed to an in-
3 stitution of higher education under paragraph (3)
4 for any period of enrollment shall be disbursed by
5 the Corporation in 2 or more installments, none of
6 which exceeds $\frac{1}{2}$ of such total amount. The interval
7 between the first and second such installment shall
8 not be less than $\frac{1}{2}$ of such period of enrollment, ex-
9 cept as necessary to permit the second installment to
10 be paid at the beginning of the second semester,
11 quarter, or similar division of such period of enroll-
12 ment.

13 “(5) REFUND RULES.—The Corporation shall,
14 by regulation, provide for the refund to the Corpora-
15 tion (and the crediting to the national service edu-
16 cational award of an eligible individual) of amounts
17 disbursed to institutions for the benefit of eligible in-
18 dividuals who withdraw or otherwise fail to complete
19 the period of enrollment for which the assistance
20 was provided. Such regulations shall be consistent
21 with the fair and equitable refund policies required
22 of institutions pursuant to section 484B of the
23 Higher Education Act of 1965 (20 U.S.C. 1091b).

24 “(6) MAXIMUM AWARD.—The portion of an eli-
25 gible individual’s total available national service edu-

1 cational award that may be disbursed under this
2 subsection for any period of enrollment shall not ex-
3 ceed the difference between—

4 “(A) the eligible individual’s cost of attend-
5 ance for such period of enrollment, determined
6 in accordance with section 472 of the Higher
7 Education Act of 1965 (20 U.S.C. 1087*ll*); and

8 “(B) the sum of (i) the student’s estimated
9 financial assistance for such period pursuant to
10 part A of title IV of such Act (20 U.S.C. 1070
11 et seq.), and (ii) the student’s veterans’ edu-
12 cation benefits, determined in accordance with
13 section 480(c) of such Act (20 U.S.C.
14 1087*vv*(c)).

15 “(7) **【Other to be supplied】**.—

16 “(d) USE OF EDUCATIONAL AWARD TO PARTICIPATE
17 IN APPRENTICESHIP PROGRAMS.—The Corporation shall
18 by regulation provide for the payment of national service
19 educational awards to permit eligible individuals to partici-
20 pate in recognized and approved apprenticeship programs.
21 Such regulations shall—

22 (1) **【conditions for regulations to be supplied**
23 **on basis of labor initiatives】**.

24 “(e) GENERAL ADMINISTRATIVE PROVISIONS.—

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1 pate in recognized and approved apprenticeship programs.

2 Such regulations shall—

3 (1) [conditions for regulations to be supplied
4 on basis of labor initiatives].

5 “(e) GENERAL ADMINISTRATIVE PROVISIONS.—

6 [to be supplied - may already be located in
7 general Corporation powers.]

8 “(f) [Additional Provisions - to be supplied].

9 “(g) DEFINITION OF INSTITUTION OF HIGHER EDU-
10 CATION.—Notwithstanding section 101 of this Act, for
11 purposes of this section the term ‘institution of higher
12 education’ has the meaning provided by section 481(a) of
13 the Higher Education Act of 1965 (20 U.S.C. 1088(a)).”.

14 (b) TABLE OF CONTENTS.—Section 1(b) of the Na-
15 tional and Community Service Act of 1990 (Public Law
16 101-610; 101 Stat. 3127) is amended by striking the
17 items relating to subtitle D of title I of such Act and in-
18 serting the following new items:

“Subtitle D—National Service Trust and Provision of National Service
Educational Awards

“Sec. 145. Establishment of the National Service Trust.

“Sec. 146. Individuals eligible to receive a national service educational award
from the Trust.

“Sec. 147. Determination of the amount of the national service educational
award.

“Sec. 148. Disbursement of national service educational awards.”.

19 (c) CONFORMING AMENDMENTS.—

20 [(1) IMPACT ON ELIGIBILITY FOR SUBSIDIZED
21 STAFFORD LOANS.—Section 428(a)(2)(C)(i) of the

1 Community Service Act of 1990 (42 U.S.C. 12751
2 et seq.),”.] [This attempts to prevent
3 “overborrowing” of subsidized loans by service
4 award recipients.]

5 [(2) IMPACT ON GENERAL NEEDS ANALYSIS.—
6 Section 480(j) of such Act (20 U.S.C. 1087vv(j)) is
7 amended by adding at the end the following new
8 paragraph:

9 [“(3) Notwithstanding paragraph (1), any na-
10 tional service educational award such student will re-
11 ceive under subtitle D of title I of the National and
12 Community Service Act of 1990 (42 U.S.C. 12751
13 et seq.) shall not be taken into account in determin-
14 ing estimated financial assistance not received under
15 this title.”.] [This attempts to prevent reduction of
16 grants to service award recipients.]

17 [(3) IMPACT ON ELIGIBILITY FOR OTHER
18 NEEDS-TESTED PROGRAMS.—To be supplied, eg.
19 AFDC, EITC?]

20 (4) IMPACT ON ELIGIBILITY FOR STAFFORD
21 LOAN FORGIVENESS.—Section 428J(c) of the Higher
22 Education Act of 1965 (20 U.S.C. 1078-10(c)) is
23 amended by adding at the end the following new
24 paragraph:

1 “(5) INELIGIBILITY OF NATIONAL SERVICE
2 EDUCATIONAL AWARD RECIPIENTS.—No student
3 borrower who may, for the same volunteer service,
4 receive a benefit under both this section and subtitle
5 D of title I of the National and Community Service
6 Act of 1990 (42 U.S.C. 12751 et seq.).” [Note: as-
7 sumes prevention of double benefit for service will
8 occur at time of service, not at time of loan repay-
9 ment. How will this be implemented and coordinated
10 between Corporation and Sec. of Ed.?]

11 (5) IMPACT ON ELIGIBILITY FOR PERKINS LOAN
12 FORGIVENESS.—Section 465(a) of the Higher Edu-
13 cation Act of 1965 (20 U.S.C. 1087ee(a)) is amend-
14 ed by adding at the end the following new para-
15 graph:

16 “(6) No borrower who may, for the same volun-
17 teer service, receive a benefit under both this section
18 and subtitle D of title I of the National and Commu-
19 nity Service Act of 1990 (42 U.S.C. 12751 et
20 seq.).” [Note: assumes prevention of double benefit
21 for service will occur at time of service, not at time
22 of loan repayment. How will this be implemented
23 and coordinated between the Corporation and the
24 college to whom the loan is repaid?]

1 **SEC. 103. AMENDMENTS TO PROGRAMS FOR STUDENTS**
2 **AND OUT-OF-SCHOOL YOUTH.**

3 (a) **AMENDMENTS TO SERVE-AMERICA PROGRAMS.—**

4 (1) **PURPOSE.**—The purpose of this subsection
5 is to improve the Serve-America programs estab-
6 lished under part I of subtitle B of the National and
7 Community Service Act of 1990, and to enable the
8 Corporation for National Service, and the entities
9 receiving financial assistance under such part, to—

10 (A) work with teachers in elementary
11 schools and secondary schools within a commu-
12 nity, and with community-based agencies, to
13 create and offer service-learning opportunities
14 for all school-age youth;

15 (B) educate teachers, and faculty providing
16 teacher training and retraining, about service-
17 learning, and incorporate service-learning op-
18 portunities into classroom teaching to strength-
19 en academic learning;

20 (C) coordinate the work of adult volunteers
21 who work with elementary and secondary
22 schools as part of their community service ac-
23 tivities; and

24 (D) work with employers in the commu-
25 nities to ensure that projects for middle school
26 and high school students introduce the students

1 to various careers and expose the students to
2 needed further education and training.

3 (2) PROGRAMS.—Subtitle B of title I of the Na-
4 tional and Community Service Act of 1990 (42
5 U.S.C. 12501 et seq.) is amended by striking the
6 subtitle heading and all that follows through the end
7 of part I and inserting the following:

8 **“Subtitle B—School-Based and**
9 **Community-Based Service-**
10 **Learning Programs**

11 **“PART I—SERVE-AMERICA PROGRAMS**

12 **“Subpart A—School-Based Programs for Students**

13 **“SEC. 111. AUTHORITY TO ASSIST STATES AND INDIAN**
14 **TRIBES.**

15 **“(a) USE OF FUNDS.—**The Corporation, in consulta-
16 tion with the Secretary of Education, may make grants
17 under section 112(b)(1), and allotments under subsections
18 (a) and (b)(2) of section 112, to States and Indian tribes
19 to pay for the Federal share of—

20 **“(1) planning and building the capacity of the**
21 States or Indian tribes (which may be accomplished
22 through grants or contracts with qualified organiza-
23 tions) to implement statewide or tribal school-based
24 service-learning programs, including—

1 “(A) providing preservice and inservice
2 training for teachers, supervisors, personnel
3 from community-based agencies (particularly
4 with regard to the utilization of participants),
5 and trainers, to be conducted by qualified indi-
6 viduals or organizations that have experience
7 with service-learning;

8 “(B) developing service-learning curricula
9 to be integrated into academic programs, in-
10 cluding the age-appropriate learning component
11 described in section 114(d)(5)(B);

12 “(C) forming local partnerships described
13 in paragraph (2) or (4) to develop school-based
14 service-learning programs in accordance with
15 this subpart;

16 “(D) devising appropriate methods for re-
17 search and evaluation of the educational value
18 of service-learning and the effect of service-
19 learning activities on communities; and

20 “(E) establishing effective outreach and
21 dissemination of information to ensure the
22 broadest possible involvement of community-
23 based agencies with demonstrated effectiveness
24 in working with school-age youth in their com-
25 munities;

1 “(2) implementing, operating, or expanding
2 school-based service-learning programs, which may
3 include paying for the cost of the recruitment, train-
4 ing, supervision, placement, salaries, and benefits of
5 service-learning coordinators, through State distribu-
6 tion of Federal funds made available under this sub-
7 part to projects operated by local partnerships
8 among—

9 “(A) local educational agencies; and

10 “(B) one or more community partners
11 that—

12 “(i) shall include a public or private
13 nonprofit organization that will make
14 projects available for participants, who
15 shall be students; and

16 “(ii) may include a private for-profit
17 business or private elementary or second-
18 ary school;

19 “(3) planning of school-based service-learning
20 programs through State distribution of Federal
21 funds made available under this subpart to local
22 educational agencies or elementary or secondary
23 schools, which planning may include paying for the
24 cost of—

1 “(A) the salaries and benefits of service-
2 learning coordinators; or

3 “(B) the recruitment, training, supervision,
4 and placement of service-learning coordinators
5 who are participants in a program under sub-
6 title C or receive a national service educational
7 award under subtitle D,
8 who will identify the community partners described
9 in paragraph (2)(B) and assist in the design and im-
10 plementation of a program described in paragraph
11 (2); and

12 “(4) implementing, operating, or expanding
13 school-based service-learning programs involving
14 adult volunteers to utilize service-learning to improve
15 the education of students through State distribution
16 of Federal funds made available under this part to
17 local partnerships among—

18 “(A) local educational agencies; and

19 “(B) one or more public or private non-
20 profit organizations or private for-profit busi-
21 nesses,

22 that coordinate and operate projects for participants,
23 who shall be students.

24 “(b) DUTIES OF SERVICE-LEARNING COORDINA-
25 TOR.—A service-learning coordinator referred to in para-

1 graph (2) or (3) of subsection (a) shall provide services
2 to a local educational agency, elementary school, or sec-
3 ondary school by—

4 “(1) expanding the awareness of teachers of the
5 potential of service-learning in strengthening the
6 educational achievement, leadership development,
7 and substantive learning, of students;

8 “(2) providing technical assistance and informa-
9 tion to, and facilitating the training of, teachers who
10 want to use service-learning in their classrooms;

11 “(3) assisting local partnerships described in
12 subsection (a) in the planning, development, and
13 execution of service-learning projects;

14 “(4) recruiting and supervising adult volun-
15 teers, or individuals who are participants in a pro-
16 gram under subtitle C or receive a national service
17 educational award under subtitle D, to expand serv-
18 ice-learning opportunities; and

19 “(5) coordinating the activities of the service-
20 learning coordinator with the activities of the com-
21 mittee described in section 114(d)(1), and, where
22 appropriate, assisting the committee.

23 “(c) RELATED EXPENSES.—A partnership, local edu-
24 cational agency, elementary or secondary school, or other
25 qualified organization that receives financial assistance

1 under this subpart may, in carrying out the activities de-
2 scribed in subsection (a), use such assistance to pay for
3 the Federal share of reasonable costs related to the super-
4 vision of participants, program administration, transpor-
5 tation, insurance, evaluations, and for other reasonable ex-
6 penses related to the activities.

7 **“SEC. 111A. AUTHORITY TO ASSIST LOCAL APPLICANTS IN**
8 **NONPARTICIPATING STATES.**

9 “In any fiscal year in which a State or Indian tribe
10 does not participate in programs under this subpart, the
11 Corporation may use the allotment of that State or Indian
12 tribe under subsection (a) or (b)(2) of section 112 to make
13 direct grants to pay for the Federal share of the cost of—

14 “(1) carrying out the activities described in
15 paragraph (2) or (4) of section 111(a), to a local
16 partnership described in such paragraph; or

17 “(2) carrying out the activities described in
18 paragraph (3) of such section, to an agency or
19 school described in such paragraph,

20 that is located in the State, or serves the Indian tribe.

21 **“SEC. 111B. AUTHORITY TO ASSIST PUBLIC OR PRIVATE**
22 **NONPROFIT ORGANIZATIONS.**

23 “(a) IN GENERAL.—The Corporation may make a
24 grant under section 112(b)(1) to a public or private non-
25 profit organization that—

1 “(1) has experience with service-learning; and

2 “(2) was in existence 1 year before the date on
3 which the organization submitted an application
4 under section 114(a).

5 “(b) USE OF FUNDS.—Such an organization may use
6 a grant made under subsection (a) to make grants to part-
7 nerships described in section 111(a)(2) to implement, op-
8 erate, or expand school-based service-learning programs as
9 described in such section.

10 **“SEC. 112. GRANTS AND ALLOTMENTS.**

11 “(a) INDIAN TRIBES AND TERRITORIES.—Of the
12 amounts appropriated to carry out this subpart for any
13 fiscal year, the Corporation shall reserve an amount of not
14 more than 1 percent for payments to Indian tribes, the
15 Virgin Islands, Guam, American Samoa, and the Com-
16 monwealth of the Northern Mariana Islands, to be allotted
17 in accordance with their respective needs. The Corporation
18 may also make payments from such amount to Palau, in
19 accordance with its needs, until such time as the Compact
20 of Free Association is ratified.

21 “(b) GRANTS AND ALLOTMENTS THROUGH
22 STATES.—The Corporation shall use the remainder of the
23 funds appropriated to carry out this subpart for any fiscal
24 year as follows:

1 “(1) GRANTS.—Except as provided in para-
2 graph (3), from **[25 percent]** of such funds, the
3 Corporation may make grants, on a competitive
4 basis, to—

5 “(A) State educational agencies and Indian
6 tribes; or

7 “(B) as described in section 111B, to pub-
8 lic or private nonprofit organizations.

9 “(2) ALLOTMENTS.—

10 “(A) SCHOOL-AGE YOUTH.—Except as pro-
11 vided in paragraph (3), from **[37.5 percent]** of
12 such funds, the Corporation shall allot to each
13 State an amount that bears the same ratio to
14 **[37.5 percent]** of such funds as the number of
15 school-age youth in the State bears to the total
16 number of school-age youth of all States.

17 “(B) ALLOCATION UNDER ELEMENTARY
18 AND SECONDARY EDUCATION ACT OF 1965.—
19 Except as provided in paragraph (3), from
20 **[37.5 percent]** of such funds, the Corporation
21 shall allot to each State an amount that bears
22 the same ratio to **[37.5 percent]** of such funds
23 as the allocation to the State for the previous
24 fiscal year under chapter 1 of title I of the Ele-
25 mentary and Secondary Education Act of 1965

1 (20 U.S.C. 2711 et seq.) bears to such alloca-
2 tions to all States.

3 “(3) MINIMUM AMOUNT.—No State shall re-
4 ceive, under paragraph (2), an allotment that is less
5 than the allotment such State received for fiscal year
6 1993 under section 112(b) of this Act, as in effect
7 on the day before the date of enactment of this part.
8 If the amount of funds made available in a fiscal
9 year to carry out paragraph (2) is insufficient to
10 make such allotments, the Corporation shall make
11 available sums from the [25 percent] described in
12 paragraph (1) for such fiscal year to make such al-
13 lotments.

14 “(4) DEFINITION.—Notwithstanding section
15 101(25), for purposes of this subsection, the term
16 ‘State’ means each of the several States, the District
17 of Columbia, the Commonwealth of Puerto Rico, and
18 an Indian tribe.

19 “(c) REALLOTMENT.—If the Corporation determines
20 that the allotment of a State or Indian tribe under this
21 section will not be required for a fiscal year because the
22 State or Indian tribe does not participate in programs
23 under this subpart in such fiscal year, the Corporation
24 shall, after making any grants under section 111A to a
25 partnership, agency, or school described in such section,

1 make any remainder of such allotment available for real-
2 lotment to such other States, and Indian tribes, with ap-
3 proved applications submitted under section 113, as the
4 Corporation may determine to be appropriate.

5 “(d) EXCEPTION.—Notwithstanding subsections (a)
6 and (b), if less than \$20,000,000 is appropriated for any
7 fiscal year to carry out this subpart, the Corporation shall
8 award grants to States and Indian tribes, from the
9 amount so appropriated, on a competitive basis to pay for
10 the Federal share of the activities described in section 111.

11 **“SEC. 113. STATE OR TRIBAL APPLICATIONS.**

12 “(a) SUBMISSION.—To be eligible to receive a grant
13 under section 112(b)(1), an allotment under subsection
14 (a) or (b)(2) of section 112, a reallocation under section
15 112(c), or a grant under section 112(d), a State, acting
16 through the State educational agency, or an Indian tribe,
17 shall prepare, submit to the Corporation, and obtain ap-
18 proval of, an application at such time and in such manner
19 as the Chairperson may reasonably require.

20 “(b) CONTENTS.—An application that is submitted
21 under subsection (a) with respect to service-learning pro-
22 grams described in section 111 shall include—

23 “(1) a 3-year strategic plan for promoting serv-
24 ice-learning through the programs, which plan shall

1 contain such information as the Chairperson may
2 reasonably require, such as—

3 “(A) a description of the goals to be at-
4 tained in promoting service-learning through
5 such programs;

6 “(B) a description of—

7 “(i) the resources and organization
8 needed to achieve the goals of such pro-
9 grams within elementary schools and sec-
10 ondary schools; and

11 “(ii) the manner in which such pro-
12 grams and the activities to be carried out
13 under such programs relate to the goals
14 described in subparagraph (A); and

15 “(C) a description of the manner in
16 which—

17 “(i) the programs will promote in-
18 volvement in service-learning activities
19 within the State or Indian tribe and within
20 such schools;

21 “(ii) the applicant will evaluate the
22 success of the programs and the extent of
23 community involvement in the programs,
24 and measure the extent to which the pro-

1 grams meet the goals described in subpara-
2 graph (A);

3 “(iii) the applicant will rank applica-
4 tions submitted under section 114(c) ac-
5 cording to the criteria described in section
6 115(b), and in a manner that ensures the
7 equitable treatment of all such applica-
8 tions;

9 “(iv) the programs will be coordinated
10 with—

11 “(I) the education reform efforts
12 of the applicant;

13 “(II) other efforts to meet the
14 【National Education Goals,】;

15 “(III) other service activities in
16 the State or serving the Indian tribe;
17 and

18 “(IV) other education programs,
19 training programs, social service pro-
20 grams, and appropriate programs that
21 serve school-age youth, that are au-
22 thorized under Federal law;

23 “(v) the applicant will disseminate in-
24 formation, conduct outreach, and take
25 other measures, to encourage cooperative

1 efforts among the local educational agen-
2 cies, local government agencies, commu-
3 nity-based agencies, State agencies, and
4 private for-profit businesses that will carry
5 out the service-learning programs proposed
6 by the applicant, to develop and provide
7 projects, including those that involve the
8 participation of urban, suburban, and rural
9 students working together;

10 “(vi) the applicant will promote ap-
11 propriate projects in such programs for
12 economically disadvantaged students, stu-
13 dents with limited basic skills, students in
14 foster care who are becoming too old for
15 foster care, students of limited-English
16 proficiency, homeless students, and stu-
17 dents with disabilities;

18 “(vii) service-learning training and
19 technical assistance will be provided
20 through the programs—

21 “(I) to State and local edu-
22 cational agency personnel, federally
23 assisted education specialists in the
24 State or serving the Indian tribe, and
25 local recipients of grants under this

1 subpart, to raise the awareness of
2 service-learning among such person-
3 nel, specialists, and recipients; and

4 “(II) by qualified and experi-
5 enced individuals employed by the
6 State or Indian tribe or through
7 grants or contracts with such individ-
8 uals;

9 “(viii) a service-learning network will
10 be established for the State or Indian
11 tribe, comprised of expert teachers and ad-
12 ministrators who have carried out success-
13 ful service-learning activities within the
14 State or serving the Indian tribe; and

15 “(ix) the applicant will use payments
16 from sources described in section
17 116(a)(2)(B) to expand projects for stu-
18 dents through the programs proposed by
19 the applicant;

20 “(2) assurances that—

21 “(A) the applicant will keep such records
22 and provide such information to the Corpora-
23 tion with respect to the programs as may be re-
24 quired for fiscal audits and program evaluation;
25 and

1 “(B) the applicant will comply with the
2 nonduplication and nondisplacement require-
3 ments of section 177; and

4 “(3) such additional information as the Chair-
5 person may reasonably require.

6 **“SEC. 114. LOCAL APPLICATIONS.**

7 “(a) APPLICATION TO CORPORATION TO MAKE
8 GRANTS FOR SCHOOL-BASED SERVICE-LEARNING PRO-
9 GRAMS.—

10 “(1) IN GENERAL.—To be eligible to receive a
11 grant in accordance with section 111B(a) to make
12 grants relating to school-based service-learning pro-
13 grams described in section 111(a)(2), a public or
14 private nonprofit organization shall prepare, submit
15 to the Corporation, and obtain approval of, an appli-
16 cation.

17 “(2) SUBMISSION.—Such application shall be
18 submitted at such time and in such manner, and
19 shall contain such information, as the Chairperson
20 may reasonably require. Such application shall in-
21 clude a proposal to assist such programs in more
22 than 1 State.

23 “(b) DIRECT APPLICATION TO CORPORATION TO
24 CARRY OUT SCHOOL-BASED SERVICE-LEARNING PRO-
25 GRAMS IN NONPARTICIPATING STATES.—To be eligible to

1 receive a grant from the Corporation in the circumstances
2 described in section 111A to carry out an activity de-
3 scribed in such section, a partnership, agency, or school
4 described in such section shall prepare, submit to the Cor-
5 poration, and obtain approval of, an application. Such ap-
6 plication shall be submitted at such time and in such man-
7 ner, and shall contain such information, as the Chair-
8 person may reasonably require.

9 “(c) APPLICATION TO STATE OR INDIAN TRIBE TO
10 RECEIVE ASSISTANCE TO CARRY OUT SCHOOL-BASED
11 SERVICE-LEARNING PROGRAMS.—

12 “(1) IN GENERAL.—Any—

13 “(A) qualified organization that desires to
14 receive financial assistance under this subpart
15 from a State or Indian tribe for an activity de-
16 scribed in section 111(a)(1);

17 “(B) partnership described in section
18 111(a)(2) that desires to receive such assistance
19 from a State, Indian tribe, or grantmaking en-
20 tity for an activity described in section
21 111(a)(2);

22 “(C) agency or school described in section
23 111(a)(3) that desires to receive such assistance
24 from a State or Indian tribe for an activity de-
25 scribed in such section; or

1 “(D) partnership described in section
2 111(a)(4) that desires to receive such assistance
3 from a State or Indian tribe for an activity de-
4 scribed in such section,
5 to be carried out through a service-learning program
6 described in section 111, shall prepare, submit to
7 the State educational agency, Indian tribe, or
8 grantmaking entity, and obtain approval of, an ap-
9 plication for the program.

10 “(2) SUBMISSION.—Such application shall be
11 submitted at such time and in such manner, and
12 shall contain such information, as the agency, tribe,
13 or entity may reasonably require.

14 “(d) CONTENTS OF APPLICATION.—An application
15 that is submitted under subsection (a), (b), or (c) with
16 respect to a service-learning program described in section
17 111 shall, at a minimum, contain a proposal that
18 includes—

19 “(1) information specifying the membership and
20 role of an established advisory committee, consisting
21 of representatives of community-based agencies in-
22 cluding service recipients, students, parents, teach-
23 ers, administrators, representatives of agencies that
24 serve school-age youth or older adults, school board
25 members, representatives of labor, and representa-

1 tives of business, that will provide advice with re-
2 spect to the program;

3 “(2) a description of—

4 “(A) the goals of the program which shall
5 include goals that are quantifiable and dem-
6 onstrate any benefits from the program to par-
7 ticipants and the community;

8 “(B) service-learning projects to be pro-
9 vided under the program, and evidence that
10 participants will make a sustained commitment
11 to service in the projects;

12 “(C) the manner in which participants in
13 the program were or will be involved in the de-
14 sign and operation of the program;

15 “(D) preservice and inservice training for
16 supervisors, teachers, service sponsors, and par-
17 ticipants in the program;

18 “(E) the manner in which exemplary serv-
19 ice will be recognized under the program; and

20 “(F) any resources that will permit con-
21 tinuation of the program, if needed, after the
22 assistance received under this subpart for the
23 program has ended;

24 “(3) information that shall include—

1 “(A) a disclosure of whether or not the
2 participants will receive academic credit for par-
3 ticipation in the program;

4 “(B) the expected number of participants
5 in the program and the hours of service that
6 such participants will provide individually and
7 as a group;

8 “(C) the proportion of expected partici-
9 pants in the program who are economically dis-
10 advantaged, including participants with disabil-
11 ities; and

12 “(D) any role of adult volunteers in imple-
13 menting the program, and the manner in which
14 such volunteers will be recruited;

15 “(4) in the case of an application submitted by
16 a local partnership, a written agreement, between
17 the members of the local partnership, stating that
18 the program was jointly developed by the members
19 and that the program will be jointly executed by the
20 members; and

21 “(5) assurances that—

22 “(A) prior to the placement of a partici-
23 pant, the entity carrying out the program will
24 consult with any local labor organization rep-
25 resenting employees in the area who are en-

1 gaged in the same or similar work as that pro-
2 posed to be carried out by such program, to
3 prevent the displacement and protect the rights
4 of such employees;

5 “(B) the entity carrying out the program
6 will develop an age-appropriate learning compo-
7 nent for participants in the program that shall
8 include a chance for participants to analyze and
9 apply their service experiences; and

10 “(C) the entity carrying out the program
11 will comply with the nonduplication and
12 nondisplacement requirements of section 177.

13 **“SEC. 115. CONSIDERATION OF APPLICATIONS.**

14 “(a) CORPORATION CRITERIA FOR APPLICATIONS.—
15 In making grants under section 112(b)(1), the Corpora-
16 tion shall give priority to States and Indian tribes that
17 submit applications under section 113 that meet such cri-
18 teria with respect to sustainability, replicability, innova-
19 tion, and quality of programs under this subpart as the
20 Chairperson may by regulation specify.

21 “(b) PRIORITY FOR LOCAL APPLICATIONS.—

22 “(1) IN GENERAL.—In providing assistance
23 under this subpart, a State educational agency or
24 Indian tribe, or the Corporation if section 111A or
25 111B applies, shall give priority to entities that sub-